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DISSERTATIONS

ON

GOVERNMENT,

THE

AFFAIRS OF THE BANK,

AND

PAPER-MONEY.

By the Author of COMMON SENSE.

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M,DCC,LXXXVI.

Melba,
Otto Orren Fisher

PREFACE.

I HERE present the Public with a new performance. Some parts of it are more particularly adapted to the State of Pennsylvania, on the present state of its affairs: But there are others which are on a larger scale. The time bestowed on this work has not been long, the whole of it being written and printed during the short recess of the Assembly.

As to parties, merely considered as such, I am attached to no particular one. There are such things as right and wrong in the world, and so far as these are parties against each other, the signature of COMMON SENSE *is properly employed.*

THOMAS PAINE

Philadelphia, Feb. 18, 1786.

569 [PAINE, Thomas.] Dissertations on Government, the Affairs of the Bank, and Paper-Money. . . . 8vo, removed from bound vol. (foxed, corner lacking from pages 1-2, destroying a few words of the text, also a tear in the same leaf). Phila., 1786.

In his Preface, Paine says that some parts of these dissertations "are more particularly adapted to the state of Pennsylvania, or the present state of its affairs: but there are others which are on a larger scale."

DISSERTATION

ON

GOVERNMEN

THE

AFFAIRS OF THE BANK,

AND

PAPER-MONEY.

EVERY Government, let its form be what it may, contains within itſelf a principle common to all, which is, that of a ſovereign power, or a power over which there is no controul, and which controuls all others: And as it is impoſſible to conſtruct a form of government in which this power does not exiſt, ſo there muſt of neceſſity be a place, if it may be ſo called, for it to exiſt in.

IN Deſpotic Monarchies this power is lodged in a ſingle perſon, or ſovereign. His Will is law; which he declares, alters, or revokes as he pleaſes, without being accountable to any power for ſo doing. Therefore, the only modes of redreſs, in countries ſo governed, are by petition or inſurrection. And this is the reaſon we ſo frequently hear of inſurrections in deſpotic governments; for as there are but two modes of redreſs, this is one of them.

PERHAPS it may be ſaid that as the united reſiſtance of the people is able, by force, to controul the Will of the ſovereign, that, therefore, the controuling power lodges in them; but it muſt be underſtood that I am ſpeaking

ers only as are conſtituent parts of the go-
not of thoſe powers which are externally ap-
.iſt and overturn it.

ublics, ſuch as thoſe eſtabliſhed in America, the
power, or the power over which there is no
and which controuls all others, remains where
placed it; in the people; for the people in America
e fountain of power. It remains there as a matter
ght, recognized in the conſtitutions of the country,
the exerciſe of it is conſtitutional and legal.——This
ereignty is exerciſed in electing and deputing a certain
.mber of perſons to repreſent and act for the whole, and
who, if they do not act right, may be diſplaced by the
ſame power that placed them there, and others elected
and deputed in their ſtead, and the wrong meaſures of
former repreſentatives corrected and brought right by this
means. Therefore the republican form and principle
leaves no room for inſurrection, becauſe it provides and
eſtabliſhes a rightful means in its ſtead.

In countries under a deſpotic form of government, the exerciſe of this power is an aſſumption of ſovereignty; a wreſting it from the perſon in whoſe hand their form of government has placed it, and the exerciſe of it there is ſtiled rebellion. Therefore the deſpotic form of government knows no intermediate ſpace between being ſlaves and being rebels.

I ſhall in this place offer an obſervation which, though not immediately connected with my ſubject, is very naturally deduced from it, which is, That the nature, if I may ſo call it, of a government over any people may be aſcertained from the modes which the people purſue to obtain redreſs; for like cauſes will produce like effects. And therefore the government which Britain attempted to erect over America could be no other than a deſpotiſm, becauſe it left to the Americans no other modes of redreſs than thoſe which are left to people under deſpotic governments, petition and reſiſtance: and the Americans, without ever attending to a compariſon on the caſe, went into the ſame ſteps which ſuch people go into, becauſe no other could be purſued: and this ſimilarity of effects leads up to, and aſcertains, the ſimilarity of the cauſes or governments which produced them.

But to return.——The repoſitory where the ſovereign power is placed is the firſt criterion of diſtinction between

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a country under a deſpotic form of government and a free country. In a country under a deſpotic government, the ſovereign is the only free man in it.——In a republic, the people retaining the ſovereignty in themſelves, naturally and neceſſarily retain freedom with it: for, wherever the ſovereignty is, there muſt the freedom be; the one cannot be in one place and the other in another.

As the repoſitory where the ſovereign power is lodged is the firſt criterion of diſtinction; the ſecond is the principles on which it is adminiſtered.

A deſpotic government knows no principle but WILL. Whatever the ſovereign wills to do, the government admits him the inherent right, and the uncontrouled power of doing. He is reſtrained by no fixed rule of right and wrong, for he makes the right and wrong himſelf and as he pleaſes.—If he happens (for a miracle may happen) to be a man of conſummate wiſdom, juſtice and moderation, of a mild affectionate diſpoſition, diſpoſed to buſineſs, and underſtanding and promoting the general good, all the beneficial purpoſes of government will be anſwered under his adminiſtration, and the people ſo governed may, while this is the caſe, be proſperous and eaſy. But as there can be no ſecurity that this diſpoſition will laſt, and this adminiſtration continue, and ſtill leſs ſecurity that his ſucceſſor ſhall have the ſame qualities and purſue the ſame meaſures; therefore no people exerciſing their reaſon and underſtanding their rights, would, of their own choice, inveſt any one man with ſuch a power.

NEITHER is it conſiſtent to ſuppoſe the knowledge of any one man competent to the exerciſe of ſuch a power. A Sovereign of this ſort, is brought up in ſuch a diſtant line of life, and lives ſo remote from the people, and from a knowledge of every thing which relates to their local ſituations and intereſts, that he can know nothing from experience and obſervation, and all which he does know he muſt be told. Sovereign power without ſovereign knowledge, that is, a full knowledge of all the matters over which that power is to be exerciſed, is a ſomething which contradicts itſelf.

THERE is a ſpecies of ſovereign power in a ſingle perſon, which is very proper when applied to a commander in chief over an army, ſo far as relates to the military government of an army, and the condition and purpoſe of an army conſtitute the reaſon why it is ſo. IN

In an army every man is of the ſame profeſſion, that is, he is a ſoldier, and the commander in chief is a ſoldier too: therefore the knowledge neceſſary to the exerciſe of the power is within himſelf. By underſtanding what a ſoldier is, he comprehends the local ſituation, intereſt and duty of every man within, what may be called, the dominion of his command; and therefore the condition and circumſtances of an army make a fitneſs for the exerciſe of the power.

The purpoſe likewiſe, or object of an army, is another reaſon: for this power in a commander in chief, though exerciſed over the army, is not exerciſed againſt it; but is exerciſed thro' or over the army againſt the enemy. Therefore the enemy, and not the people, is the object it is directed to. Neither is it exerciſed over an army, for the purpoſe of raiſing a revenue from it, but to promote its combined intereſt, condenſe its powers, and give it capacity for action.

But all theſe reaſons ceaſe when ſovereign power is transferred from the commander of an army to the commander of a nation, and entirely loſes its fitneſs when applied to govern ſubjects following occupations, as it governs ſoldiers following arms. A nation is quite another element, and every thing in it differs not only from each other, but all of them differ from thoſe of an army. A nation is compoſed of diſtinct unconnected individuals, following various trades, employments and purſuits; continually meeting, croſſing, uniting, oppoſing and ſeparating from each other as accident, intereſt and circumſtance ſhall direct.—An army has but one occupation and but one intereſt.

Another very material matter in which an army and a nation differ, is that of temper. An army may be ſaid to have but one temper; for, however the *natural* temper of the perſons compoſing the army may differ from each other, there is a ſecond temper takes place of the firſt: a temper formed by diſcipline, mutuality of habits, union of objects and purſuits, and the ſtile of military manners: but this can never be the caſe among all the individuals of a nation. Therefore the fitneſs, ariſing from thoſe circumſtances, which diſpoſes an army to the command of a ſingle perſon, and the fitneſs of a ſingle perſon to that command, is not to be found either in one or the other, when we come to conſider them as a ſovereign and a nation.

HAVING already ſhewn what a deſpotic government is, and how it is adminiſtered, I now come to ſhew what the adminiſtration of a republic is.

THE adminiſtration of a republic is ſuppoſed to be directed by certain fundamental principles of right and juſtice, from which there cannot, becauſe there ought not to, be any deviation; and whenever any deviation appears, there is a kind of ſtepping out of the republican principle, and an approach towards the deſpotic one. This adminiſtration is executed by a ſelect number of perſons, periodically choſen by the people, and act as repreſentatives and in behalf of the whole, and who are ſuppoſed to enact the ſame laws, and purſue the ſame line of adminiſtration, as the whole of the people would do were they aſſembled together.

THE PUBLIC GOOD is to be their object. It is therefore neceſſary to underſtand what Public Good is.

PUBLIC Good is not a term oppoſed to the good of individuals; on the contrary, it is the good of every individual collected. It is the good of all, becauſe it is the good of every one: for as the public body is every individual collected, ſo the public good is the collected good of thoſe individuals.

THE foundation-principle of Public Good is juſtice, and wherever juſtice is impartially adminiſtered the public good is promoted; for as it is to the good of every man that no injuſtice be done to him, ſo likewiſe it is to his good that the principle which ſecures him ſhould not be violated in the perſon of another, becauſe ſuch a violation weakens *his* ſecurity, and leaves to chance what ought to be to him a rock to ſtand on.

BUT in order to underſtand more minutely, how the Public Good is to be promoted, and the manner in which the repreſentatives are to act to promote it, we muſt have recourſe to the original or firſt principles, on which the people formed themſelves into a republic.

WHEN a people agree to form themſelves into a republic (for the word REPUBLIC means the PUBLIC GOOD, or the good of the whole, in contradiſtinction to the deſpotic form, which makes the good of the ſovereign, or of one man, the only object of the government) when, I ſay, they agree to do this, it is to be underſtood, that they mutually reſolve and pledge themſelves to each other, rich and poor alike, to ſupport and maintain this rule of

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equal juſtice among them. They therefore renounce not only the deſpotic form, but the deſpotic principle, as well of governing as of being governed by mere Will and Power, and ſubſtitute in its place a government of juſtice.

By this mutual compact the citizens of a republic put it out of their power, that is, they renounce, as deteſtable, the power of exerciſing, at any future time, any ſpecies of deſpotiſm over each other, or doing a thing, not right in itſelf, becauſe a majority of them may have ſtrength or numbers ſufficient to accompliſh it.

In this pledge and compact* lies the foundation of the republic

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*This pledge and compact is contained in the declaration of Rights prefixed to the conſtitution, and is as follows——

I. THAT all men are born equally free and independent, and have certain natural, inherent and unalienable rights, amongſt which are the enjoying and defending life and liberty, acquiring, poſſeſſing and protecting property, and purſuing and obtaining happineſs and ſafety.

II. That all men have a natural and unalienable right to worſhip Almighty God, according to the dictates of their own conſciences and underſtanding: And that no man ought or of right can be compelled to attend any religious worſhip, or erect or ſupport any place of worſhip, or maintain any miniſtry, contrary to, or againſt, his own free will and conſent: Nor can any man, who acknowledges the being of a God, be juſtly deprived or abridged of any civil right as a citizen, on account of his religious ſentiments or peculiar mode of religious worſhip: And that no authority can or ought to be veſted in, or aſſumed by any power whatever, that ſhall in any caſe interfere with, or in any manner controul, the right of conſcience in the free exerciſe of religious worſhip.

III. That the people of this ſtate have the ſole, excluſive and inherent right of governing and regulating the internal police of the ſame.

IV. That all power being originally inherent in, and conſequently derived from, the people; therefore all officers of government, whether legiſlative or executive, are their truſtees and ſervants, and at all times accountable to them.

V. That government is, or ought to be, inſtituted for the common benefit, protection and ſecurity of the people, nation or community; and not for the particular emolument

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republic: and the ſecurity to the rich and the conſolation to the poor is, that what each man has is his own; that no deſpotic ſovereign can take it from him, and that the common cementing principle which holds all the parts of a republic together, ſecures him likewiſe from the deſpotiſm of numbers: For deſpotiſm may be more effectually acted by many over a few than by one man over all.

THEREFORE, in order to know how far the power of an Aſſembly, or a houſe of repreſentatives can act in adminiſtering the affairs of a republic, we muſt examine how far the power of the people extends under the original compact they have made with each other; for the power of the repreſentatives is in many caſes leſs, but never can be greater than that of the people repreſented; and whatever the people in their mutual original compact have renounced the power of doing towards, or acting over each other, the repreſentatives can not aſſume the power to do, becauſe, as I have already ſaid, the power of the repreſentatives cannot be greater than that of the people whom they repreſent.

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or advantage of any ſingle man, family or ſet of men who are a part only of that community: And that the community hath an indubitable, unalienable and indefeaſible right to reform, alter or aboliſh government in ſuch manner as ſhall be by that community judged moſt conducive to the public weal.

VI. THAT thoſe who are employed in the legiſlative and executive buſineſs of the ſtate may be reſtrained from oppreſſion, the people have a right, at ſuch periods as they may think proper, to reduce their public officers to a private ſtation, and ſupply the vacancies by certain and regular elections.

VII. THAT all elections ought to be free; and that all free men having a ſufficient evident common intereſt with, and attachment to the community, have a right to elect officers, or be elected into office.

VIII. THAT every member of ſociety hath a right to be protected in the enjoyment of life, liberty and property, and therefore is bound to contribute his proportion towards the expence of that protection, and yield his perſonal ſervice when neceſſary, or an equivalent thereto: But no part of a man's property can be juſtly taken from him, or applied to public uſes, without his own conſent, or that of his legal repreſentatives: Nor can any man who is conſcientiouſly

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In this place it naturally preſents itſelf that the people in their original compact of equal juſtice or firſt principles of a republic, renounced, as deſpotic, deteſtable and unjuſt, the aſſuming a right of breaking and violating their engagements, contracts and compacts with, or defrauding, impoſing or tyrannizing over, each other, and therefore the repreſentatives can not make an Act to do it for them, and any ſuch an Act would be an attempt to depoſe, not the perſonal ſovereign, but the ſovereign principle of the republic, and to introduce deſpotiſm in its ſtead.

It may in this place be proper to diſtinguiſh between that ſpecies of ſovereignty which is claimed and exerciſed by deſpotic monarchs, and that ſovereignty which the citizens of a republic inherit and retain.——The ſovereignty of a deſpotic monarch aſſumes the power of making wrong right, or right wrong, as he pleaſes or as it ſuits him. The ſovereignty in a republic is exerciſed to keep right and wrong in their proper and diſtinct places, and never to ſuffer the one to uſurp the place of the other. A republic, properly underſtood, is a ſovereignty of juſtice in contradiſtinction to a ſovereignty of Will.

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ſcrupulous of bearing arms, be juſtly compelled thereto, if he will pay ſuch equivalent: Nor are the people bound by any laws, but ſuch as they have in like manner aſſented to, for their common good.

IX. That in all proſecutions for criminal offences, a man hath a right to be heard by himſelf and his council, to demand the cauſe and nature of his accuſation, to be confronted with the witneſſes, to call for evidence in his favour, and a ſpeedy public trial, by an impartial jury of the country, without the unanimous conſent of which jury he cannot be found guilty: Nor can he be compelled to give evidence againſt himſelf: Nor can any man be juſtly deprived of his liberty, except by the laws of the land, or the judgment of his peers.

X. That the people have a right to hold themſelves, their houſes, papers, and poſſeſſions free from ſearch or ſeizure; and therefore warrants without oaths or affirmations firſt made, affording a ſufficient foundation for them, and whereby any officer or meſſenger may be commanded or required to ſearch ſuſpected places, or to ſeize any perſon or perſons, his or their property, not particularly deſcribed, are contrary to that right, and ought not to be granted.

XI.

OUR experience in republicaniſm is yet ſo ſlender, that it is much to be doubted, whether all our public Laws and Acts are conſiſtent with, or can be juſtified on, the principles of a republican government.

WE have been ſo much habited to act in committees at the commencement of the diſpute, and during the interregnum of government, and in many caſes ſince, and to adopt expedients warranted by neceſſity, and to permit to ourſelves a diſcretionary uſe of power ſuited to the ſpur and exigency of the moment, that a man transferred from a committee to a ſeat in the Legiſlature imperceptibly takes with him the ideas and habits he has been accuſtomed to, and continues to think like a committee-man inſtead of a legiſlator, and to govern by ſpirit rather than by the rule of the conſtitution and the principles of the Republic.

HAVING already ſtated that the power of the repreſentatives can never exceed the power of the people whom they repreſent, I now proceed to examine more particularly, what the power of the repreſentatives is.

IT is, in the firſt place, the power of acting as legiſlalators in making laws,—and in the ſecond place, the power of acting in certain caſes, as agents or negociators for the Commonwealth, for ſuch purpoſes as the circumſtances of the Commonwealth require.

A VERY ſtrange confuſion of ideas dangerous to the credit, ſtability, and the good and honor of the Commonwealth has ariſen by confounding thoſe two diſtinct pow-

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XI. THAT in controverſies reſpecting property, and in ſuits between man and man, the parties have a right to trial by jury, which ought to be held ſacred.

XII. THAT the people have a right to freedom of ſpeech, and of writing, and publiſhing their ſentiments; therefore the freedom of the preſs ought not to be reſtrained.

XIII. THAT the people have a right to bear arms for the defence of themſelves and the ſtate; and as ſtanding armies in the time of peace, are dangerous to liberty, they ought not to be kept up: And that the military ſhould be kept under ſtrict ſubordination to, and governed by, the civil power.

XIV. THAT a frequent recurrence to fundamental principles, and a firm adherence to juſtice, moderation, temperance,

ers and things together, and blending every Act of the Aſſembly, of whatever kind it may be, under one general name of "*Laws of the Commonwealth*," and thereby creating an opinion (which is truly of the deſpotic kind) that every ſucceeding Aſſembly has an equal power over every tranſaction, as well as law, done by a former Aſſembly.

ALL laws are Acts, but all Acts are not laws. Many of the Acts of the Aſſembly are Acts of agency or negociation, that is, they are Acts of contract and agreement, on the part of the State, with certain perſons therein mentioned, and for certain purpoſes therein recited. An Act of this kind, after it has paſſed the Houſe, is of the nature of a deed or contract, ſigned, ſealed and delivered; and ſubject to the ſame general laws and principles of juſtice as all other deeds and contracts are: for in a tranſaction of this kind the State ſtands as an individual, and can be known in no other character in a court of juſtice.

By "LAWS" as diſtinct from the agency tranſactions, or matters of negociation, are to be comprehended all thoſe public Acts of the Aſſembly or Commonwealth, which have a univerſal operation, or apply themſelves to every individual of the Commonwealth. Of this kind are the laws for the diſtribution and adminiſtration of juſtice, for the preſervation of the peace, for the ſecurity of property, for raiſing the neceſſary revenue by juſt proportions, &c. &c.

ACTS of this kind are properly LAWS, and they may be

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perance, induſtry and frugality are abſolutely neceſſary to preſerve the bleſſings of liberty and keep a government free: The people ought therefore to pay particular attention to theſe points in the choice of officers and repreſentatives, and have a right to exact a due and conſtant regard to them, from their legiſlators and magiſtrates, in the making and executing ſuch laws as are neceſſary for the good government of the ſtate.

XV. THAT all men have a natural inherent right to emigrate from one ſtate to another that will receive them, or to form a new ſtate in vacant countries, or in ſuch countries as they can purchaſe, whenever they think that thereby they may promote their own happineſs.

XVI. THAT the people have a right to aſſemble together, to conſult for their common good, to inſtruct their repreſentatives, and to apply to the legiſlature for redreſs of grievances, by addreſs, petition, or remonſtrance.

be altered and amended or repealed, or others ſubſtituted in their places, as experience ſhall direct, for the better effecting the purpoſe for which they were intended: and the right and power of the Aſſembly to do this, is derived from the right and power which the people, were they all aſſembled together, inſtead of being repreſented, would have to do the ſame thing: becauſe, in Acts or laws of this kind, there is no other party than the public. The law, or the alteration, or the repeal, is for themſelves;—and whatever the effects may be, it falls on themſelves;—if for the better, they have the benefit of it—if for the worſe, they ſuffer the inconvenience. No violence to any one is here offered——no breach of faith is here committed. It is therefore one of theſe rights and powers which is within the ſenſe, meaning and limits of the original compact of juſtice which they formed with each other as the foundation principle of the Republic, and being one of thoſe rights and powers, it devolves on their repreſentatives by delegation.

As it is not my intention (neither is it within the limits aſſigned to this work) to define every ſpecies of what may be called LAWS, (but rather to diſtinguiſh that part in which the repreſentatives act as agents or negociators for the State, from the legiſlative part,) I ſhall paſs on to diſtinguiſh and deſcribe thoſe Acts of the Aſſembly which are Acts of agency or negociation, and to ſhew that as they are different in their nature, conſtruction and operation from legiſlative Acts, ſo likewiſe the power and authority of the Aſſembly over them, after they are paſſed, is different.

IT muſt occur to every perſon on the firſt reflection, that the affairs and circumſtances of a Commonwealth require other buſineſs to be done beſides that of making laws, and conſequently, that the different kinds of buſineſs cannot all be claſſed under one name, or be ſubject to one and the ſame rule of treatment.—— But to proceed———

BY agency tranſactions, or matters of negociation, done by the Aſſembly, are to be comprehended all that kind of public buſineſs, which the Aſſembly, as repreſentatives of the Republic, tranſact in its behalf, with certain perſon or perſons, or part or parts of the Republic, for purpoſes mentioned in the Act, and which the Aſſembly confirm and ratify on the part of the Commonwealth, by affixing to it the ſeal of the State.

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An Act of this kind, differs from a law of the before mentioned kind; becauſe here are two parties and there but one, and the parties are bound to perform different and diſtinct parts: whereas, in the before mentioned law, every man's part was the ſame.

These Acts, therefore, though numbered among the laws, are evidently diſtinct therefrom, and are not of the legiſlative kind. The former are laws for the government of the Commonwealth; theſe are tranſactions of buſineſs, ſuch as, ſelling and conveying an eſtate belonging to the public, or buying one; Acts for borrowing money, and fixing with the lender the terms and mode of payment; Acts of agreement and contract, with certain perſon or perſons, for certain purpoſes; and, in ſhort, every kind of Act in which two parties, the State being one, are particularly mentioned or deſcribed, and in which the form and nature of a bargain or contract is comprehended.——Theſe, if for cuſtom and uniformity ſake we call by the name of LAWS, they are not laws for the government of the Commonwealth, but for the government of the contracting parties, as all deeds and contracts are; and are not, properly ſpeaking, Acts of the Aſſembly, but joint Acts, or Acts of the Aſſembly in behalf of the Commonwealth on one part, and certain perſons therein mentioned on the other part.

Acts of this kind are diſtinguiſhable into two claſſes.—

First, thoſe wherein the matters inſerted in the Act have already been ſettled and adjuſted between the State on one part, and the perſons therein mentioned on the other part. In this caſe the Act is the completion and ratification of the contract or matters therein recited. It is in fact a deed ſigned, ſealed and delivered.

Secondly, thoſe Acts wherein the matters have not been already agreed upon, and wherein the Act only holds forth certain propoſitions and terms to be accepted of and acceded to.

I shall give an inſtance of each of thoſe Acts. Firſt—The State wants the loan of a ſum of money—certain perſons make an offer to Government to lend that ſum, and ſend in their propoſals: the Government accept theſe propoſals and all the matters of the loan and the payment are agreed on; and an Act is paſſed, according to the uſual form of paſſing Acts, ratifying and confirming this agreement. This Act is final.

In the ſecond caſe,—The State, as in the preceding one, wants a loan of money—the Aſſembly paſſes an Act holding forth the terms on which it will borrow and pay: this Act has no force, until the propoſitions and terms are accepted of and acceded to by ſome perſon or perſons, and when thoſe terms are accepted of and complied with the Act is binding on the State.——But if at the meeting of the next Aſſembly, or any other, the whole ſum intended to be borrowed, ſhould not be borrowed, that Aſſembly may ſtop where they are, and diſcontinue proceeding with the loan, or make new propoſitions and terms for the remainder; but ſo far as the ſubſcriptions have been filled up, and the terms complied with, it is, as in the firſt caſe, a ſigned deed: and in the ſame manner are all Acts, let the matters in them be what they may, wherein, as I have before mentioned, the State on one part, and certain individuals on the other part, are parties in the Act.

If the State ſhould become a bankrupt, the creditors, as in all caſes of bankruptcy, will be ſufferers; they will have but a dividend for the whole: but this is not a diſſolution of the contract, but an accommodation of it, ariſing from neceſſity. And ſo in all caſes of Acts of this kind, if an inability takes place on either ſide, the contract cannot be performed, and ſome accommodation muſt be gone into or the matter falls thro' of itſelf.

It may likewiſe happen, tho' it ought not to happen, that in performing the matters, agreeably to the terms of the Act, inconveniencies, unforeſeen at the time of making the Act, may ariſe to either or both parties: in this caſe, thoſe inconveniencies may be removed by the mutual conſent and agreement of the parties, and each find its benefit in ſo doing: for in a Republic it is the harmony of its parts that conſtitutes their ſeveral and mutual Good.

But the Acts themſelves are legally binding, as much as if they had been made between two private individuals. The greatneſs of one party cannot give it a ſuperiority of advantage over the other. The State, or its repreſentatives the Aſſembly, has no more power over an Act of this kind, after it is paſſed, than if the State was a private perſon. It is the glory of a Republic to have it ſo, becauſe it ſecures the individual from becoming the prey of power, and prevents MIGHT overcoming RIGHT.

If any difference or diſpute ariſe afterwards between the State and the individuals with whom the agreement is made, reſpecting the contract, or the meaning, or extent of any of the matters contained in the Act, which may affect the property or intereſt of either, ſuch difference or diſpute muſt be judged of, and decided upon, by the laws of the land, in a court of juſtice and trial by jury; that is, by the laws of the land already in being at the time ſuch Act and contract was made.—— No law made afterwards can apply to the caſe, either directly, or by conſtruction or implication: For ſuch a law would be a retroſpective law, or a law made after the fact, and cannot even be produced in court as applying to the caſe before it for judgment.

That this is juſtice, that it is the true principle of republican government, no man will be ſo hardy as to deny:—If, therefore, a lawful contract or agreement, ſealed and ratified, cannot be affected or altered by any Act made afterwards, how much more inconſiſtent and irrational, deſpotic and unjuſt would it be, to think of making an Act with the profeſſed intention of breaking up a contract already ſigned and ſealed.

That it is poſſible an Aſſembly, in the heat and indiſcretion of party, and meditating on power rather than on the principle by which all power in a republican government is governed, that of equal juſtice, may fall into the error of paſſing ſuch an Act, is admitted;—but it would be an actleſs Act, an Act that goes for nothing, an Act which the courts of juſtice, and the eſtabliſhed laws of the land, could know nothing of.

Because ſuch an Act would be an Act of one party only, not only without, but againſt the conſent of the other; and, therefore, cannot be produced to affect a contract made between the two.——That the violation of a contract ſhould be ſet up as a juſtification to the violator, would be the ſame thing as to ſay, that a man by breaking his promiſe is freed from the obligation of it, or that by tranſgreſſing the laws he exempts himſelf from the puniſhment of them.

Besides the conſtitutional and legal reaſons why an Aſſembly cannot, of its own Act and authority, undo or make void a contract made between the State, (by a former Aſſembly,) and certain individuals, may be added, what may be called, the natural reaſons, or thoſe reaſons

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which the plain rules of common ſenſe point out to every man. Among which are the following.

THE Principals, or real parties, in the contract, are the State and the perſons contracted with. The Aſſembly is not a party, but an Agent in behalf of the State, authoriſed and empowered to tranſact its affairs.

THEREFORE it is the State that is bound on one part and certain individuals on the other part, and the performance of the contract, according to the conditions of it, devolves on ſucceeding Aſſemblies, not as Principals, but as Agents.

THEREFORE for the next or any other Aſſembly to undertake to diſſolve the State from its obligation is an aſſumption of power of a novel and extraordinary kind—It is the Servant attempting to free his Maſter.

THE election of new Aſſemblies following each other makes no difference in the nature of the thing. The State is ſtill the ſame State.—The public is ſtill the ſame body. Theſe do not annually expire though the time of an Aſſembly does. Theſe are not new-created every year, nor can they be diſplaced from their original ſtanding; but are a perpetual permanent body, always in being and ſtill the ſame.

BUT if we adopt the vague inconſiſtent idea that every new Aſſembly has a full and complete authority over every Act done by the State in a former Aſſembly, and confound together laws, contracts and every ſpecies of public buſineſs, it will lead us into a wilderneſs of endleſs confuſion and unſurmountable difficulties. It would be declaring an Aſſembly deſpotic for the time being.——Inſtead of a government of eſtabliſhed principles adminiſtered by eſtabliſhed rules, the authority of Government by being ſtrained ſo high, would, by the ſame rule, be reduced proportionably as low, and would be no other than that of a Committee of the State acting with diſcretionary powers for one year. Every new election would be a new revolution, or it would ſuppoſe the public of the former year dead and a new public riſen in its place.

HAVING now endeavoured to fix a preciſe idea to, and diſtinguiſh between, Legiſlative Acts and Acts of Negociation and Agency, I ſhall proceed to apply this diſtinction to the caſe now in diſpute, reſpecting the charter of the Bank.

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THE charter of the Bank, or what is the ſame thing, the Act for incorporating it, is to all intents and purpoſes an Act of Negociation and Contract, entered into, and confirmed, between the State on one part, and certain perſons mentioned therein on the other part. The purpoſe for which the Act was done on the part of the State is therein recited, viz. the ſupport which the finances of the country would derive therefrom. The incorporating clauſe is the condition or obligation on the part of the State; and the obligation on the part of the Bank, is, "that nothing contained in that Act ſhall be conſtrued "to authoriſe the ſaid Corporation to exerciſe any powers "in this State repugnant to the laws or conſtitution "thereof."

HERE are all the marks and evidences of a Contract. The Parties——the Purport——and the reciprocal Obligations.

THAT it is a Contract, or a joint Act, is evident from its being in the power of either of the parties to have forbidden or prevented its being done. The State could not force the ſtockholders of the Bank to be a corporation, and therefore as their conſent was neceſſary to the making the Act, their diſſent would have prevented its being made; ſo on the other hand, as the Bank could not force the State to incorporate them, the conſent or diſſent of the State would have had the ſame effect to *do*, or to prevent its being done; and as neither of the parties could make the Act alone, for the ſame reaſon can neither of them diſſolve it alone: But this is not the caſe with a law or Act of legiſlation, and therefore the difference proves it to be an Act of a different kind.

THE Bank may forfeit the charter by delinquency, but the delinquency muſt be proved and eſtabliſhed by a legal proceſs in a court of juſtice and trial by jury: for the State, or the Aſſembly, is not to be a judge in its own caſe, but muſt come to the laws of the land for judgment; for that which is law for the individual, is likewiſe law for the State.

BEFORE I enter farther into this affair, I ſhall go back to the circumſtances of the country and the condition the Government was in, for ſome time before, as well as at the time it entered into this engagement with the Bank, and this Act of incorporation was paſſed: for the Government of this State, and I ſuppoſe the ſame of the reſt,

were

were then in want of two of the moſt eſſential matters which governments could be deſtitute of.——Money and Credit.——

In looking back to thoſe times, and bringing forward ſome of the circumſtances attending them, I feel myſelf entering on unpleaſant and diſagreeable ground; becauſe ſome of the matters which the attack on the Bank now make neceſſary to ſtate, in order to bring the affair fully before the Public, will not add honor to thoſe who have promoted that meaſure, and carried it through the late Houſe of Aſſembly; and for whom, tho' my own judgment and opinion on the caſe oblige me to differ from, I retain my eſteem, and the ſocial remembrance of times paſt. But, I truſt, thoſe Gentlemen will do me the juſtice to recollect my exceeding earneſtneſs with them, laſt ſpring, when the attack on the Bank firſt broke out; for it clearly appeared to me one of thoſe overheated meaſures, which, neither the country at large, nor their own conſtituents, would juſtify them in when it came to be fully and clearly underſtood; for however high a party-meaſure may be carried in an Aſſembly, the people out of doors are all the while following their ſeveral occupations and employments, minding their farms and their buſineſs, and take their own time and leiſure to judge of public meaſures; the conſequence of which is that they often judge in a cooler ſpirit than their repreſentatives act in.

It may be eaſily recollected that the preſent Bank was preceded by, and roſe out, of a former one, called the Pennſylvania Bank, which began a few months before; the occaſion of which I ſhall briefly ſtate.

In the ſpring 1780, the Pennſylvania Aſſembly was compoſed of many of the ſame Members, and nearly all of the ſame connection, which compoſed the late Houſe that began the attack on the Bank. I ſerved as Clerk of the Aſſembly of 1780, which ſtation I reſigned at the end of the year and accompanied a much lamented friend the late Colonel John Laurens on an embaſſy to France.

The ſpring of 1780 was marked with an accumulation of misfortunes. The reliance placed on the defence of Charleſtown failed and exceedingly lowered or rather depreſſed the ſpirits of the country. The meaſures of Government, from the want of money, means and credit, dragged on like a heavy loaded carriage without wheels,

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and were nearly got to what a countryman would underſtand by a dead pull.

THE Aſſembly of that year met by adjournment at an unuſual time, the tenth of May, and what particularly added to the affliction, was, that ſo many of the Members, inſtead of ſpiriting up their conſtituents to the moſt nervous exertions, came to the Aſſembly furniſhed with petitions to be exempt from paying taxes. How the public meaſures were to be carried on, the country defended, and the army recruited, clothed, fed, and paid, when the only reſource, and that not half ſufficient, that of taxes, ſhould be relaxed to almoſt nothing, was a matter too gloomy to look at. A language very different from that of petitions ought at this time to have been the language of every one. A declaration to have ſtood forth with their lives and fortunes, and a reprobation of every thought of partial indulgence would have ſounded much better than petitions.

WHILE the Aſſembly was ſitting a letter from the Commander in chief was received by the Executive Council and tranſmitted to the Houſe. The doors were ſhut and it fell officially to me to read.

IN this letter the naked truth of things was unfolded. Among other informations the General ſaid, that notwithſtanding his confidence in the attachment of the army to the cauſe of the country, the diſtreſſes of it, from the want of every neceſſary which men could be deſtitute of, were ariſen to ſuch a pitch, that the appearance of mutiny and diſcontent were ſo ſtrongly marked on the countenance of the army that he dreaded the event of every hour.

WHEN the letter was read I obſerved a deſpairing ſilence in the Houſe. No body ſpoke for a conſiderable time. At length a Member of whoſe fortitude to withſtand misfortunes I had a high opinion, roſe: "If," ſaid "he, "the account in that letter is a true ſtate of things; "and we are in the ſituation there repreſented, it appears "to me in vain to contend the matter any longer. We "may as well give up at firſt as at laſt."

THE Gentleman who ſpoke next, was (to the beſt of my recollection) a Member from Bucks county, who, in a cheerful note, endeavoured to diſſipate the gloom of the Houſe —— "Well, well," ſaid he, "don't let "the Houſe deſpair, if things are not ſo well as we

"wiſh

" wiſh, we muſt endeavour to make them better." And on a motion for adjournment, the converſation went no farther.

THERE was now no time to loſe, and ſomething abſolutely neceſſary to be done, which was not within the immediate power of the Houſe to do: for what with the depreciation of the Currency, the ſlow operation of taxes, and the petitions to be exempt therefrom, the treaſury was moneyleſs, and the Government creditleſs.

IF the Aſſembly could not give the aſſiſtance which the neceſſity of the caſe immediately required, it was very proper the matter ſhould be known by thoſe who either could or would endeavour to do it. To conceal the information within the Houſe, and not provide the relief which that information required, was making no uſe of the knowledge and endangering the Public Cauſe. The only thing that now remained, and was capable of reaching the caſe, was private credit, and the voluntary aid of individuals; and under this impreſſion, on my return from the Houſe, I drew out the ſalary due to me as Clerk, encloſed five hundred dollars in a letter to a Gentleman in this City, in part of the whole, and wrote fully to him on the ſubject of our affairs.

THE Gentleman to whom this letter was addreſſed is Mr. Blair M'Clenaghan. I mentioned to him, that notwithſtanding the current opinion that the enemy were beaten from before Charleſtown, there were too many reaſons to believe the place was then taken and in the hands of the enemy; the conſequence of which would be, that a great part of the Britiſh force would return, and join that at New-York. That our own army required to be augmented, ten thouſand men, to be able to ſtand againſt the combined force of the enemy. I informed Mr. M'Clenaghan of General Waſhington's letter, the extreme diſtreſſes he was ſurrounded with, and the abſolute occaſion there was for the citizens to exert themſelves at this time, which there was no doubt they would do, if the neceſſity was made known to them; for that the ability of Government was exhauſted. I requeſted Mr. M'Clenaghan, to propoſe a voluntary ſubſcription among his friends, and added, that I had encloſed five hundred dollars as my mite thereto, and that

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I would encreaſe it as far as the laſt ability would enable me to go.*

THE next day Mr. M'Clenaghan informed me, he had communicated the contents of the letter at a meeting of Gentlemen at the Coffee-houſe, and that a ſubſcription was immediately began—that Mr. Robert Morris and himſelf had ſubſcribed two hundred pounds each, in hard money, and that the ſubſcription was going very ſucceſsfully on.—This ſubſcription was intended as a donation, and to be given in bounties to promote the recruiting ſervice. It is dated June 8th, 1780. The original ſubſcription liſt is now in my poſſeſſion—it amounts to four hundred pounds hard money, and one hundred and one thouſand three hundred and ſixty pounds continental.

WHILE this ſubſcription was going forward, information of the loſs of Charleſtown arrived,† and on a communication from ſeveral Members of Congreſs to certain Gentlemen of this city, of the encreaſing diſtreſſes and dangers then taking place, a meeting was held of the ſubſcribers, and ſuch other Gentlemen who choſe to attend, at the City Tavern. This meeting was on the 17th of June, nine days after the ſubſcriptions had began.

AT this meeting it was reſolved to open a ſecurity ſubſcription, to the amount of three hundred thouſand pounds, Pennſylvania currency, in real money; the ſubſcribers to execute bonds to the amount of their ſubſcriptions, and to form a Bank thereon for ſupplying the army. This being reſolved on and carried into execution the plan of the firſt ſubſcriptions was diſcontinued, and this extended one eſtabliſhed in its ſtead.

BY means of this Bank the army was ſupplied thro' the campaign, and being at the ſame time recruited, was enabled to maintain its ground: And on the appointment of Mr. Morris to be Superintendant of the finances the ſpring following, he arranged the ſyſtem of the preſent Bank, ſtiled the Bank of North-America, and many of the ſubſcribers of the former Bank transferred their ſubſcriptions into this. To-

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* Mr. M'Clenaghan being now returned from Europe, has my conſent to ſhew the letter to any Gentleman who may be inclined to ſee it.

† Col. Tennant, Aid to General Lincoln, arrived the 14th of June, with deſpatches of the capitulation of Charleſtown.

TOWARDS the eſtabliſhment of this Bank, Congreſs paſſed an ordinance of incorporation December 21ſt 1781, which the Government of Pennſylvania recognized by ſundry matters: And afterwards, on an application from the Preſident and Directors of the Bank, thro' the mediation of the Executive Council, the Aſſembly agreed to, and paſſed the State Act of Incorporation April 1ſt 1782.

THUS aroſe the Bank——produced by the diſtreſs of the times and the enterpriſing ſpirit of patriotic individuals.——Thoſe individuals furniſhed and riſked the money, and the aid which the Government contributed was that of incorporating them.——It would have been well if the State had made all its bargains and contracts with as much true policy as it made this; for a greater ſervice for ſo ſmall a conſideration, that only of an Act of incorporation, has not been obtained ſince the Government exiſted.

HAVING now ſhewn how the Bank originated, I ſhall proceed with my remarks.

THE ſudden reſtoration of public and private credit, which took place on the eſtabliſhment of the Bank is an event as extraordinary in itſelf as any domeſtic occurrence during the progreſs of the Revolution.

HOW far a ſpirit of envy might operate to produce the attack on the Bank during the ſitting of the late Aſſembly, is beſt known and felt by thoſe who began or promoted that attack. The Bank had rendered ſervices which the Aſſembly of 1780 could not, and acquired an honor which many of its Members might be unwilling to own, and wiſh to obſcure.

BUT ſurely every wiſe Government acting on the principles of patriotiſm and Public Good would cheriſh an Inſtitution capable of rendering ſuch advantages to the Community. The eſtabliſhment of the Bank in one of the moſt trying viciſſitudes of the war, its zealous ſervices in the public cauſe, its influence in reſtoring and ſupporting credit, and the punctuality with which all its buſineſs has been tranſacted, are matters, that ſo far from meriting the treatment it met with from the late Aſſembly, are an honor to the State, and what the body of her citizens may be proud to own.

BUT the attack on the Bank, as a Chartered Inſtitution, under the protection of its violators, however criminal it may be as an error of Government, or impolitic

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as a measure of party, is not to be charged on the constituents of those who made the attack. It appears from every circumstance that has come to light to be a measure which that Assembly contrived of itself. The Members did not come charged with the affair from their constituents. There was no idea of such a thing when they were elected or when they met. The hasty and precipitate manner in which it was hurried through the House, and the refusal of the House to hear the Directors of the Bank in its defence, prior to the publication of the repealing Bill for public consideration, operated to prevent their constituents comprehending the subject: Therefore, whatever may be wrong in the proceedings lies not at the door of the Public. The House took the affair on its own shoulders, and whatever blame there is lies on them.

THE matter must have been prejudged and predetermined by a majority of the Members out of the House, before it was brought into it. The whole business appears to have been fixed at once, and all reasoning or debate on the case rendered useless.

PETITIONS from a very *inconsiderable* number of persons suddenly procured, and so privately done, as to be a secret among the few that signed them, were presented to the House and read twice in one day, and referred to a Committee of the House to *inquire* and report thereon. I here subjoin the Petition * and the Report, and shall exercise

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* Minutes of the Assembly, March 21, 1785.

Petitions from a considerable number of the inhabitants of *Chester* county were read, representing that the bank established at *Philadelphia* has fatal effects upon the Community; that whilst men are enabled, by means of the bank, to receive near three times the rate of common interest, and at the same time to receive their money at very short warning, whenever they have occasion for it, it will be impossible for the husbandman or mechanic to borrow on the former terms of legal interest and distant payments of the principal; that the best security will not enable the person to borrow; that experience clearly demonstrates the mischievous consequences of this institution to the fair trader; that impostors have been enabled to support themselves in a fictitious credit, by means of a temporary punctuality at the bank, until they have drawn in their honest neighbours to trust them with their

exercise the right and privilege of a citizen in examining their merits, not for the purpose of opposition, but with a design of making an intricate affair more generally and better understood.

So far as my private judgment is capable of comprehending the subject, it appears to me, that the Committee were unacquainted with, and have totally mistaken, the nature and business of a Bank, as well as the matter committed to them, considered as a proceeding of Government.

They were instructed by the House to *inquire* whether the Bank established at Philadelphia was compatible with the public safety.

It is scarcely possible to suppose the instructions meant no more than that they were to inquire of one another. It is certain they made no inquiry at the Bank, to inform themselves of the situation of its affairs, how they were conducted, what aids it had rendered the public cause, or whether any; nor do the Committee produce in their report a single fact or circumstance to shew they made any inquiry at all, or whether the rumors then circulated were true or false; but content themselves with modelling the insinuations of the petitions into a report and giving an opinion thereon.

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their property, or to pledge their credit as sureties, and have been finally involved in ruin and distress; that they have repeatedly seen the stopping of discounts at the bank, operate on the trading part of the Community, with a degree of violence scarcely inferior to that of a stagnation of the blood in the human body, hurrying the wretched merchant who hath debts to pay into the hands of griping usurers; that the Directors of the bank may give such preference in trade, by advances of money, to their particular favorites, as to destroy that equality which ought to prevail in a commercial country; that paper-money has often proved beneficial to the state, but the bank forbids it, and the people must acquiesce: therefore, and in order to restore public confidence and private security, they pray that a bill may be brought in and passed into a law for repealing the law for incorporating the bank.

March 28.

The report of the committee, read March 25, on the petitions

IT would appear from the report, that the Committee either conceived that the Houſe had already determined how it would act without regard to the caſe, and that they were only a Committee for form ſake, and to give a color of inquiry without making any, or that the caſe was referred to them, *as law-queſtions are ſometimes referred to law-officers, for an opinion only.*

THIS method of doing public buſineſs ſerves exceedingly to miſlead a country.——When the conſtituents of an Aſſembly hear that an enquiry into any matter is directed to be made, and a Committee appointed for that purpoſe, they naturally conclude that the inquiry *is made*, and that the future proceedings of the Houſe are in conſequence of the matters, facts, and information obtained by means

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titions from the counties of *Cheſter* and *Berks*, and the city of *Philadelphia* and its vicinity, praying the act of Aſſembly, whereby the bank was eſtabliſhed at *Philadelphia*, may be repealed, was read the ſecond time as follows, viz.

The committee to whom were referred the petitions concerning the bank eſtabliſhed at *Philadelphia*, and who were inſtructed to inquire whether the ſaid bank be compatible with the public ſafety, and that equality which ought ever to prevail between the individuals of a republic, beg leave to report, That it is the opinion of this committee, that the ſaid bank, as at preſent eſtabliſhed, is in every view incompatible with the public ſafety: that in the preſent ſtate of our trade, the ſaid bank has a direct tendency to baniſh a great part of the ſpecie from the country, ſo as to produce a ſcarcity of money, and to collect into the hands of the ſtockholders of the ſaid bank almoſt the whole of the money which remains amongſt us. That the accumulation of enormous wealth in the hands of a ſociety, who claim perpetual duration, will neceſſarily produce a degree of influence and power, which cannot be entruſted in the hands of any ſet of men whatſoever, without endangering the public ſafety. That the ſaid bank, in its corporate capacity, is empowered to hold eſtates to the amount of ten millions of dollars, and by the tenor of the preſent charter, is to exiſt forever, without being obliged to yield any emolument to the government, or to be at all dependent upon it. That the great profits of the bank, which will daily encreaſe as money grows ſcarcer, and which already far exceed the profits of European banks, have tempted foreigners to veſt their money in this bank, and thus to draw from us large ſums for intereſt. That

means of that inquiry.——But here is a Committee of inquiry making no inquiry at all, and giving an opinion on a caſe without inquiring into it. This proceeding of the Committee would juſtify an opinion that it was not their wiſh to *get*, but to *get over* information, and leſt the enquiry ſhould not ſuit their wiſhes, omitted to make any. The ſubſequent conduct of the Houſe, in reſolving not to hear the Directors of the Bank on their application for that purpoſe, prior to the publication of the Bill for the conſideration of the people, ſtrongly corroborates this opinion: For why ſhould not the Houſe hear them, unleſs it was apprehenſive, that the Bank, by ſuch a public opportunity, would produce proofs of its ſervices and uſefulneſs, that would not ſuit the temper and views of its oppoſers?

But if the Houſe did not wiſh or chuſe to hear the defence of the Bank, it was no reaſon their conſtituents ſhould not. The Conſtitution of this State, in lieu of having two branches of Legiſlature, has ſubſtituted, that "To the end that laws before they are enacted may be "more *maturely conſidered*, and the inconvenience of "*haſty determinations* as much as poſſible prevented, all "Bills of a public nature ſhall be printed for the conſi-

"deration

That foreigners will doubtleſs be more and more induced to become ſtockholders, until the time may arrive when this enormous engine of power may become ſubject to foreign influence; this country may be agitated with the politics of European courts, and the good people of *America* reduced once more into a ſtate of ſubordination, and dependence upon ſome one or other of the European powers That at beſt, if it were even confined to the hands of Americans, it would be totally deſtructive of that equality which ought to prevail in a republic. We have nothing in our free and equal government capable of balancing the influence which this bank muſt create; and we ſee nothing which in the courſe of a few years, can prevent the directors of the bank, from governing Pennſylvania. Already we have felt its influence indirectly interfering in the meaſures of the legiſlature. Already the houſe of Aſſembly, the repreſentatives of the people have been threatened, that the credit of our paper currency will be blaſted by the bank; and if this growing evil continues, we fear the time is not very diſtant,

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" deration of the people*."——The people, therefore, according to the Conſtitution, ſtand in the place of another Houſe; or, more properly ſpeaking, are a Houſe in their own right.——But in this inſtance the Aſſembly arrogates the whole power to itſelf, and places itſelf as a bar to ſtop the neceſſary information ſpreading among the people.——The application of the Bank to be heard before the Bill was publiſhed for public conſideration had two objects.—— Firſt, to the Houſe,—and ſecondly, thro' the Houſe to the people, who are as another Houſe. It was as a defence in the firſt inſtance, and as an appeal in the ſecond. But the Aſſembly abſorbs the right of the people to judge; becauſe, by refuſing to hear the defence, they barred the appeal.—— Were there no other cauſe which the conſtituents of that Aſſembly had for cenſuring its conduct, than the exceeding unfairneſs, partiality, and arbitrarineſs with which this buſineſs was tranſacted, it would be cauſe ſufficient.

LET the conſtituents of Aſſemblies differ, as they may, reſpecting certain peculiarities in the *form* of the Conſtitution, they will all agree in ſupporting its *principles*, and in reprobating unfair proceedings and deſpotic meaſures. Every conſtituent is a member of the Republic, which is a ſtation of more conſequence to him than being a member of a party, and tho' they may differ from each other in their choice of perſons to tranſact the public buſineſs, it is of equal importance to all

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when the bank will be able to dictate to the legiſlature, what laws to paſs and what to forbear.

Your committee therefore beg leave further to report the following reſolution to be adopted by the houſe, *viz.*

Reſolved, that a committee be appointed to bring in a bill to repeal the act of Aſſembly, paſſed the firſt day of *April* 1782, entitled, " *An act to incorporate the ſubſcribers to the bank of* North-America;" and alſo to repeal one other act of Aſſembly, paſſed the 18th of *March*, 1782, entitled, " *An act for preventing and puniſhing the counterfeiting of the* " *common ſeal, bank-bills and bank-notes of the preſident,* " *directors and company, of the bank of* North-America, *and* " *for the other purpoſes therein mentioned.*" . . .

* Conſtitution, ſection the 15th.

all parties that the buſineſs be done on right principles: otherwiſe our laws and Acts, inſtead of being founded in juſtice, will be founded in party, and be laws and Acts of retaliation; and inſtead of being a Republic of free citizens, we ſhall be alternately tyrants and ſlaves. —But to return to the Report.——

THE Report begins by ſtating that, "The Committee to whom were referred the petitions concerning the Bank eſtabliſhed at Philadelphia, and who were inſtructed to *inquire* whether the ſaid Bank be compatible with the public ſafety, and that equality which ought ever to prevail between the individuals of a Republic, beg leave to report," (not that they have made any *inquiry*, but) "That it is the *opinion* of this Committee, that the ſaid Bank, as at preſent eſtabliſhed, is, in every view, incompatible with the public ſafety."——But why is it ſo? Here is an opinion unfounded and unwarranted. The Committee have began their Report at the wrong end; for an opinion, when given as a matter of judgment, is an action of the mind which follows a fact, but here it is put in the room of one.

THE Report then ſays, "That in the preſent ſtate of our trade the ſaid Bank has a direct tendency to baniſh a great part of the ſpecie from the country, and to collect into the hands of the ſtockholders of the Bank almoſt the whole of the money which remains among us."

HERE is another mere aſſertion, juſt like the former, without a ſingle fact or circumſtance to ſhew why it is made or whereon it is founded.——Now the very reverſe, of what the Committee aſſerts, is the natural conſequence of a Bank.——Specie may be called the ſtock in trade of the Bank, it is therefore its intereſt to prevent it from wandering out of the country, and to keep a conſtant ſtanding ſupply to be ready for all domeſtic occaſions and demands. Were it true that the bank has a direct tendency to baniſh the ſpecie from the country, there would ſoon be an end to the Bank; and, therefore, the Committee have ſo far miſtaken the matter, as to put their fears in the place of their wiſhes: for if it is to happen as the Committee ſtates, let the Bank alone and it will ceaſe of itſelf, and the repealing Act need not have been paſſed.

It is the intereſt of the Bank that people ſhould keep their caſh there, and all commercial countries find the exceeding great convenience of having a general repoſitory for their caſh.—But ſo far from baniſhing it, there are no two claſſes of people in America who are ſo much intereſted in preſerving hard money in the country as the Bank and the Merchant. Neither of them can carry on their buſineſs without it. Their oppoſition to the paper-money of the late Aſſembly was becauſe it has a direct effect, as far as it is able, to baniſh the ſpecie and that without providing any means for bringing more in. The Committee muſt have been aware of this, and therefore choſe to ſpread the firſt alarm, and groundleſs as it was to truſt to the deluſion.

As the keeping the ſpecie in the country is the intereſt of the Bank, ſo it has the beſt opportunities of preventing its being ſent away, and the earlieſt knowledge of ſuch a deſign. While the Bank is the general repoſitory of caſh no great ſums can be obtained without getting it from thence, and as it is evidently prejudicial to its intereſt to advance money to be ſent abroad, becauſe in this caſe, the money can not by circulation return again, the Bank, therefore, is intereſted in preventing what the Committee would have it ſuſpected of promoting.

It is to prevent the exportation of caſh and to retain it in the country that the Bank has on ſeveral occaſions ſtopt the diſcounting notes till the danger has been paſſed. * The firſt part, therefore, of the aſſertion, that of

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* The petitions ſay "That they have repeatedly ſeen the ſtopping of diſcounts at the bank, operate on the trading part of the Community, with a degree of violence ſcarcely inferior to that of a ſtagnation of the blood in the human body, hurrying the wretched merchant who hath debts to pay into the hands of griping uſurers."

As the perſons who ſay or ſigned this live ſomewhere in Cheſter county, they are not, from ſituation, certain of what they ſay. Theſe petitions have every appearance of being contrived for the purpoſe of bringing the matter on. The petition and the report have ſtrong evidence in them of being both drawn up by the ſame perſon: for the report is as clearly the echo of the petition as ever the addreſs of the Britiſh Parliament was the echo of the King's ſpeech.

Beſides

of baniſhing the ſpecie, contains an apprehenſion as needleſs as it is groundleſs, and which, had the Committee underſtood, or been the leaſt informed of the nature of a Bank, they could not have made. It is very probable that ſome of the oppoſers to the Bank are thoſe perſons who have been diſappointed in their attempt to obtain ſpecie for this purpoſe and now cloak their oppoſition under other pretences.

I NOW come to the ſecond part of the aſſertion, which is, that when the Bank has baniſhed a great part of the ſpecie from the country, "it will collect into the hands of "the ſtockholders almoſt the whole of the money which "remains among us."—But how, or by what means, the Bank is to accompliſh this wonderful feat the Committee have not informed us. Whether people are to give their money to the Bank for nothing, or whether the Bank is to charm it from them as a rattleſnake charms a ſquirrel from a tree, the Committee have left us as much in the dark about as they were themſelves.

Is it poſſible the Committee ſhould know ſo very little of the matter, as not to know that no part of the money which

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Beſides the reaſon I have already given for occaſionally ſtopping diſcounting notes at the bank, there are other neceſſary reaſons. It is for the purpoſe of ſettling accounts. Short reckonings make long friends. The bank lends its money for ſhort periods, and by that means aſſiſts a great many different people: and if it did not ſometimes ſtop diſcounting as a means of ſettling with the perſons it has already lent its money to, thoſe perſons would find a way to keep what they had borrowed longer than they ought, and prevent others being aſſiſted. It is a fact, and ſome of the Committee know it to be ſo, that ſundry of thoſe perſons who then oppoſed the Bank acted this part.

The ſtopping the diſcounts do not, and cannot, operate to call in the loans ſooner than the time for which they were lent, and therefore the charge is falſe that "it hurries men into the hands of griping uſurers" :—and the truth is, that it operates to keep them from thence.

If petitions are to be contrived to cover the deſigns of a houſe of Aſſembly and give a pretence for its conduct, or if a houſe is to be led by the noſe by the idle tale of any fifty or ſixty ſigners to a petition, it is time for the public to look a little cloſer into the conduct of its repreſentatives.

which at any time may be in the Bank belongs to the ſtockholders; not even the original capital which they put in is any part of it their own until every perſon who has a demand upon the Bank is paid, and if there is not a ſufficiency for this purpoſe on the balance of loſs and gain, the original money of the ſtockholders muſt make up the deficiency.

THE money which at any time may be in the Bank is the property of every man who holds a Bank-note, or depoſits caſh there, or who has a juſt demand upon it from the city of Philadelphia up to fort Pitt, or to any part of the United States; and he can draw the money from it when he pleaſes. Its being in the Bank, does not in the leaſt make it the property of the ſtockholders, any more than the money in the State Treaſury is the property of the State Treaſurer. They are only ſtewards over it for thoſe who pleaſe to put it, or let it remain there: and, therefore, this ſecond part of the aſſertion is ſomewhat ridiculous.

THE next paragraph in the Report is, "That the accumulation of *enormous wealth* in the hands of a *ſociety* who claim perpetual duration will neceſſarily produce a degree of influence and power which cannot be entruſted in the hands of any ſet of men whatſoever" (the Committee I preſume excepted) "without endangering the public ſafety."——There is an air of ſolemn fear in this paragraph which is ſomewhat like introducing a ghoſt in a play to keep people from laughing at the players.

I HAVE already ſhewn that whatever wealth there may be, at any time, in the Bank, is the property of thoſe who have demands upon the Bank, and not the property of the ſtockholders. As a Society they hold no property, and moſt probably never will, unleſs it ſhould be a houſe to tranſact their buſineſs in, inſtead of hiring one. Every half year the Bank ſettles its accounts and each individual ſtockholder takes his dividend of gain or loſs to himſelf, and the Bank begins the next halfyear in the ſame manner it began the firſt, and ſo on. This being the nature of a Bank, there can be no accumulation of wealth among them as a ſociety.

FOR what purpoſe the word "*ſociety*" is introduced into the Report I do not know, unleſs it be to make a falſe impreſſion on people's minds. It has no connection

with

with the ſubject, for the Bank is not a ſociety, but a company, and denominated ſo in the Charter. There are ſeveral religious ſocieties incorporated in this State, which hold property as the right of thoſe ſocieties, and to which no perſon can belong that is not of the ſame religious profeſſion. But this is not the caſe with the Bank. The Bank is a company for the promotion and convenience of commerce, which is a matter in which all the State is intereſted, and holds no property in the manner which thoſe ſocieties do.

BUT there is a direct contradiction in this paragraph to that which goes before it. The Committee, there, accuſes the Bank of baniſhing the ſpecie, and here, of accumulating enormous ſums of it.——So here are two enormous ſums of ſpecie; one enormous ſum going out, and another enormous ſum remaining.——To reconcile this contradiction, the Committee ſhould have added to their Report, *that they ſuſpected the Bank had found out the Philoſopher's ſtone, and kept it a ſecret.*

THE next paragraph is, "That the ſaid Bank, "in its corporate capacity, is empowered to hold "eſtates to the amount of ten millions of dollars, and "by the tenor of the preſent Charter is to exiſt for ever, "without being obliged to yield any emolument to the "Government, or be at leaſt dependent on it."

THE Committee have gone ſo vehemently into this buſineſs, and ſo completely ſhewn their want of knowledge in every point of it, as to make, in the firſt part of this paragraph, a fear of what, the greater fear is, will never happen. Had the Committee known anything of Banking, they muſt have known, that the objection againſt Banks has been, (not that they held great eſtates, but) that they held none; that they had no real, fixed, and viſible property, and that it is the maxim and practice of Banks not to hold any.

THE Honorable Chancellor Livingſton, late Secretary for foreign affairs, did me the honor of ſhewing, and diſcourſing with me on, a plan of a Bank he had drawn up for the State of New-York. In this plan it was made a condition or obligation, that whatever the capital of the Bank amounted to in ſpecie, there ſhould be added twice as much in real eſtates. But the mercantile intereſt rejected the propoſition.

It was a very good piece of policy in the Aſſembly which paſſed the Charter Act, to add the Clauſe to impower the Bank to purchaſe and hold real eſtates. It was as an inducement to the Bank to do it, becauſe ſuch eſtates being held as the property of the Bank would be ſo many mortgages to the Public in addition to the money capital of the Bank.

But the doubt is that the Bank will not be induced to accept the opportunity. The Bank has exiſted five years and has not purchaſed a ſhilling of real property: and as ſuch property or eſtates can not be purchaſed by the Bank but with the intereſt money which the ſtock produces, and as that is divided every half year among the ſtockholders, and each ſtockholder chuſes to have the management of his own dividend, and if he lays it out in purchaſing an eſtate to have that eſtate his own private property, and under his own immediate management, there is no expectation, ſo far from being any fear, that the Clauſe will be accepted.

Where knowledge is a duty, ignorance is a crime; and the Committee are criminal in not underſtanding this ſubject better. Had this Clauſe not been in the Charter, the Committee might have reported the want of it as a defect, in not empowering the Bank to hold eſtates as a real ſecurity to its creditors: but as the complaint now ſtands, the accuſation of it is, that the Charter empowers the Bank to *give real ſecurity* to its creditors. A complaint never made, heard of, or thought of before.

The ſecond article in this paragraph is, "That the "Bank according to the tenor of the preſent Charter "is to exiſt for ever"——Here I agree with the Committee, and am glad to find that among ſuch a liſt of errors and contradictions there is one idea which is not wrong, altho' the Committee have made a wrong uſe of it.

As we are not to live for ever ourſelves, and other generations are to follow us, we have neither the power nor the right to govern them, or to ſay how they ſhall govern themſelves. It is the ſummit of human vanity, and ſhews a coveteouſneſs of power beyond the grave, to be dictating to the world to come. It is ſufficient that we do that which is right in our own day and leave them with the advantage of good exemples.

As the generations of the world are every day both com-

commencing and expiring, therefore, when any public Act of this ſort is done it naturally ſuppoſes the age of that generation to be then beginning, and the time contained between coming of age, and the natural end of life, in the extent of time it has a right to go to, which may be about thirty years; for tho' many may die before, others will live beyond; and the mean time is equally fair for all generations.

If it was made an article in the Conſtitution, that all laws and Acts ſhould ceaſe of themſelves in thirty years, and have no legal force beyond that time, it would prevent their becoming too numerous and voluminous, and ſerve to keep them within view and in a compact compaſs. Such as were proper to be continued, would be enacted again, and thoſe which were not, would go into oblivion. There is the ſame propriety that a nation ſhould fix a time for a full ſettlement of its affairs, and begin again from a new date, as that an individual ſhould, and to keep within the diſtance of thirty years would be a convenient period.

The Britiſh, from the want of ſome general regulation of this kind, have a great number of obſolete laws; which, tho' out of uſe and forgot, are not out of force, and are occaſionally brought up for ſharping purpoſes, and innocent unwary perſons trepanned thereby.

To extend this idea ſtill further,—it would probably be a conſiderable improvement in the political ſyſtem of nations, to make all treaties of peace for a limited time. It is the nature of the mind to feel uneaſy under the idea of a condition perpetually exiſting over it, and to excite in itſelf apprehenſions that would not take place were it not from that cauſe.

Were treaties of peace made for, and renewable every, ſeven or ten years, the natural effect would be, to make peace continue longer than it does under the cuſtom of making peace for ever. If the parties felt or apprehended any inconveniencies under the terms already made, they would look forward to the time when they ſhould be eventually relieved therefrom, and might renew the treaty on improved conditions. This opportunity periodically occurring, and the recollection of it always exiſting, would ſerve as a chimney to the political fabric, to carry off the ſmoke and fume of national fire.

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it would naturally abate, and honorably take off, the edge and occaſion for fighting; and however the parties might determine to do it, when the time of the treaty ſhould expire, it would then ſeem like fighting in cool blood: The fighting temper would be diſſipated before the fighting time arrived, and negociation ſupply its place. To know how probable this may be, a man need do no more than obſerve the progreſs of his own mind on any private circumſtance ſimilar in its nature to a public one. ——But to return to my ſubject——

To give Limitation is to give Duration: and tho' it is not a juſtifying reaſon, that becauſe an Act or Contract is not to laſt for ever, that it ſhall be broken or violated to day, yet, where no time is mentioned, the omiſſion affords an opportunity for the abuſe. When we violate a contract on this pretence, we aſſume a right that belongs to the next generation; for tho' they, as a following generation, have the right of altering or ſetting it aſide, as not being concerned in the making it, or not being done in their day, we, who made it, have not that right; and, therefore, the Committee, in this part of their report, have made a wrong uſe of a right principle; and as this Clauſe in the Charter might have been altered by the conſent of the parties, it cannot be produced to juſtify the violation.——And were it not altered there would be no inconvenience from it. The term "for ever" is an abſurdity that would have no effect. The next age will think for itſelf by the ſame rule of right that we have done, and not admit any aſſumed authority of ours to encroach upon the ſyſtem of their day. Our *for ever* ends where their *for ever* begins.

The third article in this paragraph is, that the Bank holds its Charter "without being obliged to yield any "emolument to the Government."

Ingratitude has a ſhort memory. It was on the failure of the Government, to ſupport the Public Cauſe, that the Bank originated. It ſtept in as a ſupport when ſome of the perſons then in the Government, and who now oppoſe the Bank, were apparently on the point of abandoning the cauſe, not from diſaffection, but from deſpair. While the expences of the war were carried on by emiſſions of continental money, any ſet of men, in Government, might carry it on. The means being provided to their hands, required no great exertions of

fortitude

fortitude or wiſdom: but when this means failed, they would have failed with it, had not a public ſpirit awakened itſelf with energy out of doors. It was eaſy times to the Governments while continental money laſted. The dream of wealth ſupplied the reality of it; but when the dream vaniſhed, the Government did not awake.

BUT what right has the Government to expect any emolument from the Bank? Does the Committee mean to ſet up Acts and Charters for ſale, or what do they mean? Becauſe it is the practice of the Britiſh Miniſtry to grind a toll out of every public inſtitution they can get a power over, is the ſame practice to be followed here?

THE war being now ended, and the Bank having rendered the ſervice expected, or rather hoped for, from it, the principal public uſe of it, at this time, is for the promotion and extenſion of commerce. The whole community derives benefit from the operation of the Bank. It facilitates the commerce of the country. It quickens the means of purchaſing and paying for country-produce, and haſtens on the exportation of it. The emolument, therefore, being to the Community, it is the office and duty of Government to give protection to the Bank.

AMONG many of the principal conveniencies ariſing from the Bank, one of them is, that it gives a kind of life to, what would otherwiſe be, dead money. Every merchant and perſon in trade, has always in his hands ſome quantity of caſh, which conſtantly remains with him; that is, he is never entirely without: This remnant money, as it may be called, is of no uſe to him till more is collected to it. He can neither buy produce nor merchandize with it, and this being the caſe with every perſon in trade, there will be (tho' not all at the ſame) as many of thoſe ſums lying uſeleſsly by, and ſcattered throughout the city, as there are perſons in trade, beſides many that are not in trade.

I SHOULD not ſuppoſe the eſtimation overrated, in conjecturing, that half the money in the city, at any one time, lies in this manner. By collecting thoſe ſcattered ſums together, which is done by means of the Bank, they become capable of being uſed, and the quantity of circulating caſh is doubled, and by the depoſitors

alternately

alternately lending them to each other, the commercial ſyſtem is invigorated; and as it is the intereſt of the Bank to preſerve this money in the country for domeſtic uſes only, and as it has the beſt opportunity of doing ſo, the Bank ſerves as a ſentinel over the ſpecie.

If a farmer, or a miller, comes to the city with produce, there are but few merchants that can individually purchaſe it with ready money of their own; and thoſe few would command nearly the whole market for country produce: But, by means of the Bank, this monopoly is prevented, and the chance of the market enlarged. It is very extraordinary that the late Aſſembly ſhould promote monopolizing; yet ſuch would be the effect of ſuppreſſing the Bank; and it is much to the honor of thoſe merchants, who are capable, by their fortunes, of becoming monopolizers, that they ſupport the Bank. In this caſe, honor operates over intereſt. They were the perſons who firſt ſet up the Bank, and their honor is now engaged to ſupport what it is their intereſt to put down.

If merchants, by this means, or farmers, by ſimilar means, among themſelves, can mutually aid and ſupport each other, what has the Government to do with it? What right has it to expect emolument from aſſociated induſtry, more than from individual induſtry? It would be a ſtrange ſort of a Government, that ſhould make it illegal for people to aſſiſt each other, or pay a tribute for doing ſo.

But the truth is, that the Government has already derived emoluments, and very extraordinary ones. It has already received its full ſhare, by the ſervices of the Bank during the war; and it is every day receiving benefits, becauſe whatever promotes and facilitates commerce, ſerves likewiſe to promote and facilitate the revenue.

The laſt article in this paragraph is. "That the Bank "is not the leaſt dependent on the Government."

Have the Committee ſo ſoon forgot the principles of Republican Government and the Conſtitution, or are ſo little acquainted with them, as not to know, that this article in their Report partakes of the nature of treaſon? Do they not know, that freedom is deſtroyed by dependence, and the ſafety of the State endangered thereby? Do they not ſee, that to hold any part of the

citizens

citizens of the State, as yearly penſioners on the favor of an Aſſembly, is ſtriking at the root of free elections? If other parts of their Report diſcover a want of knowledge on the ſubject of Banks, this ſhews a want of principle in the ſcience of Government.

ONLY let us ſuppoſe this dangerous idea carried into practice, and then ſee what it leads to. If corporate Bodies are, after their incorporation, to be annually dependent on an Aſſembly for the continuance of their Charter, the citizens, which compoſe thoſe corporations, are not free. The Government holds an authority and influence over them, in a manner different from what it does over other citizens, and by this means deſtroys that equality of freedom, which is the bulwark of the Republic and the Conſtitution.

BY this ſcheme of Government any party, which happens to be uppermoſt in a State, will command all the corporations in it, and may create more for the purpoſe of extending that influence. The dependent Borough-Towns in England are the rotten part of their Government, and this idea of the Committee has a very near relation to it.

"IF you do not do ſo and ſo," expreſſing what was meant, "take care of your Charter," was a threat thrown out againſt the Bank. But as I do not wiſh to enlarge on a diſagreeable circumſtance, and hope that what is already ſaid, is ſufficient to ſhew the Anti-Conſtitutional conduct and principles of the Committee, I ſhall paſs on to the next paragraph in the Report.—— Which is——

"THAT the great profits of the Bank, which will "daily encreaſe as money grows ſcarcer, and which "already far exceed the profits of European Banks, "have tempted foreigners to veſt their money in this "Bank, and thus to draw from us large ſums for "intereſt."

HAD the Committee underſtood the ſubject, ſome dependence might be put on their opinion which now cannot. Whether money will grow ſcarcer, and whether the profits of the Bank will increaſe, are more than the Committee know, or are judges ſufficient to gueſs at. The Committee are not ſo capable of taking care of commerce, as commerce is capable of taking care of itſelf. The farmer underſtands farming, and the

merchant

merchant underſtands commerce; and as riches are equally the object of both, there is no occaſion that either ſhould fear that the other will ſeek to be poor. The more money the merchant has, ſo much the better for the farmer, who has produce to ſell: and the richer the farmer is, ſo much the better for the merchant, when he comes to his ſtore.

As to the profits of the Bank, the ſtockholders muſt take their chance for it. It may ſome years be more and others leſs, and upon the whole may not be ſo productive as many other ways that money may be employed. It is the convenience which the ſtockholders, as commercial men, derive from the eſtabliſhment of the Bank, and not the mere intereſt they receive, that is the inducement to them. It is the ready opportunity of borrowing alternately of each other that forms the principal object: And as they pay as well as receive a great part of the intereſt among themſelves, it is nearly the ſame thing, both caſes conſidered at once, whether it is more or leſs.

The ſtockholders are occaſionally depoſitors and ſometimes borrowers of the Bank. They pay intereſt for what they borrow, and receive none for what they depoſit; and were a ſtockholder to keep a nice account of the intereſt he pays for the one and loſes upon the other, he would find, at the year's end, that ten per cent upon his ſtock would probably not be more than common intereſt upon the whole, if ſo much.

As to the Committee complaining "that foreigners by "veſting their money in the Bank will draw large ſums "from us for intereſt," it is like a miller complaining in a dry ſeaſon, that ſo much water runs into his Dam that ſome of it runs over.

Could thoſe foreigners draw this intereſt without putting in any capital the complaint would be well founded; but as they muſt firſt put money in before they can draw any out, and as they muſt draw many years before they can draw even the numerical ſum they put in at firſt, the effect, for at leaſt twenty years to come, will be directly contrary to what the Committee ſtates: Becauſe we draw *capitals* from them and they only *intereſt* from us, and as we ſhall have the uſe of the money all the while it remains with us, the advantage will always be in our favor.—— In framing this part of the Report, the Committee muſt have forgot which ſide of the Atlantic they were on, for the

caſe

caſe would be as they ſtate it if we put money into their Bank inſtead of they putting it into ours.

I HAVE now gone thro', line by line, every objection againſt the Bank, contained in the firſt half of the Report; what follows may be called, *The Lamentations of the Committee*, and a lamentable puſillanimous degrading affair it is.—It is a public affront, a reflection upon the ſenſe and ſpirit of the whole country. I ſhall give the remainder together as it ſtands in the Report, and then my remarks.

THE Lamentations are, "That foreigners will doubt-
" leſs be more and more induced to become ſtockholders,
" until the time may arrive when this *enormous* engine of
" power may become ſubject to foreign influence, this
" country may be agitated by the politics of European
" Courts, and the good people of America reduced once
" more into a ſtate of ſubordination and dependence upon
" ſome one or other of the European Powers. That at
" beſt, if it were even confined to the hands of Ameri-
" cans, it would be totally deſtructive of that equality
" which ought to prevail in a Republic. We have no-
" thing in our free and equal Government capable of ba-
" lancing the influence which this Bank muſt create; and
" we ſee nothing which in the courſe of a few years can
" prevent the Directors of the Bank from governing
" Penſylvania. Already we have felt its influence indi-
" rectly interfering in the meaſures of the Legiſlature.
" Already the Houſe of Aſſembly, the repreſentatives of
" the people, have been threatened, that the credit of
" our paper currency will be blaſted by the Bank; and if
" this growing evil continues, we fear the time is not
" very diſtant when the Bank will be able to dictate to the
" Legiſlature, what laws to paſs and what to forbear."

WHEN the ſky falls we ſhall be all killed. There is ſomething ſo ridiculouſly grave, ſo wide of probability, and ſo wild, confuſed and inconſiſtent in the whole compoſition of this long paragraph that I am at a loſs how to begin upon it.——It is like a drowning man crying fire! fire!

THIS part of the Report is made up of two dreadful predictions. The firſt is, that if foreigners purchaſe Bank ſtock we ſhall be all ruined:—The ſecond is, that if the Americans keep the Bank to themſelves we ſhall be alſo ruined.

A COMMITTEE of fortune-tellers is a novelty in Go-

vernment;

vernment; and the Gentlemen by giving this ſpecimen of their art, have ingeniouſly ſaved their honor on one point, which is, that tho' people may ſay they are not Bankers, nobody can ſay they are not Conjurers.—There is, however, one conſolation left, which is, that the Committee do not know *exactly* how long it may be; ſo there is ſome hope that we may all be in heaven when this dreadful calamity happens upon earth.

But to be ſerious, if any ſerioufneſs is neceſſary on ſo laughable a ſubject.—If the ſtate ſhould think there is any thing improper in foreigners purchaſing Bank ſtock, or any other kind of ſtock or funded property, (for I ſee no reaſon why Bank ſtock ſhould be particularly pointed at) the Legiſlature have authority to prohibit it. It is a mere political opinion that has nothing to do with the Charter or the Charter with that; and therefore the firſt dreadful prediction vaniſhes.

It has always been a maxim in politics founded on, and drawn from, natural cauſes and conſequences, that the more foreign countries which any nation can intereſt in the proſperity of its own ſo much the better. Where the treaſure is there will the heart be alſo; and therefore when foreigners veſt their money with us, they naturally inveſt their good wiſhes with it, and it is we that obtain an influence over them, not they over us.——But the Committee ſat out ſo very wrong at firſt that the further they travelled the more they were out of their way; and now they are got to the end of their Report they are at the utmoſt diſtance from their buſineſs.

As to the ſecond dreadful part, that of the Bank overturning the Government, perhaps the Committee meant that at the next general election themſelves might be turned out of it, which has partly been the caſe; not by the influence of the Bank, for it had none, not even enough to obtain the permiſſion of a hearing from Government, but by the influence of reaſon and the choice of the people, who moſt probably reſent the undue and unconſtitutional influence which that Houſe and the Committee were aſſuming over the privileges of citizenſhip.

The Committee might have been ſo modeſt as to have confined themſelves to the Bank, and not thrown a general odium on the whole country. Before the events can happen which the Committee predict, the

the electors of Pennſylvania muſt become dupes, dunces and cowards, and therefore when the Committee predict the dominion of the Bank they predict the diſgrace of the people.

THE Committee having finiſhed their Report proceed to give their advice, which is,

" That a Committee be appointed to bring in a " bill to repeal the Act of Aſſembly paſſed the firſt day " of April 1782, entitled, "*An Act to incorporate the ſub-* " *ſcribers to the Bank of North-America*," and alſo to re- " peal one other Act of the Aſſembly paſſed the 18th of " March 1782, entitled, "*An Act for preventing and pu-* " *niſhing the counterfeiting of the common ſeal, Bank bills,* " *and Bank notes of the Preſident, Directors and Company* " *of the Bank of North-America, and for other purpoſes* " *therein mentioned.*"

THERE is ſomething in this ſequel to the Report that is perplexed and obſcure.

HERE are two Acts to be repealed. One is, the incorporating Act.—The other, the Act for preventing and puniſhing the counterfeiting of the common ſeal, Bank bills, and Bank notes of the Preſident, Directors and Company of the Bank of North-America.

IT would appear from the Committee's manner of arranging them, (were it not for the difference of their dates) that the Act for puniſhing the counterfeiting the common ſeal, &c. of the Bank, followed the Act of incorporation, and that the common ſeal there referred to is a common ſeal which the Bank held in conſequence of the aforeſaid incorporating Act.—But the caſe is quite otherwiſe. The Act for puniſhing the counterfeiting the common ſeal, &c. of the Bank, was paſſed prior to the incorporating Act, and refers to the common ſeal which the Bank held in conſequence of the Charter of Congreſs, and the ſtile which the Act expreſſes, of Preſident, Directors and Company of the Bank of North-America, is the corporate ſtile which the Bank derives under the Congreſs Charter.

THE puniſhing Act, therefore, hath two diſtinct legal points. The one is, an authoritative public recognition of the Charter of Congreſs. The ſecond is, the puniſhment it inflicts on counterfeiting.

THE Legiſlature may repeal the puniſhing part but it cannot undo the recognition, becauſe no repealing Act

can ſay that the State *has not* recognized. The recognition is a mere matter of fact, and no law or Act can undo a fact or put it, if I may ſo expreſs it, in the condition it was before it exiſted. The repealing Act therefore does not reach the full point the Committee had in view; for even admitting it to be a repeal of the State Charter, it ſtill leaves another Charter recognized in its ſtead.—The Charter of Congreſs, ſtanding merely on itſelf, would have a doubtful authority, but the recognition of it by the State gives it legal ability. The repealing Act, it is true, ſets aſide the puniſhment but does not bar the operation of the Charter of Congreſs as a Charter recognized by the State, and therefore the Committee did their buſineſs but by halves.

I HAVE now gone entirely through the Report of the Committee, and a more irrational inconſiſtent contradictory Report will ſcarcely be found on the journals of any Legiſlature in America.

How the repealing Act is to be applied, or in what manner it is to operate, is a matter yet to be determined. For admitting a queſtion of law to ariſe, whether the Charter, which that Act attempts to repeal, is a law of the land in the manner which laws of univerſal operation are, or of the nature of a contract made between the Public and the Bank (as I have already explained in this work) the repealing Act does not and cannot decide the queſtion, becauſe it is the repealing Act that makes the queſtion, and its own fate is involved in the deciſion. It is a queſtion of law and not a queſtion of legiſlation, and muſt be decided on in a court of juſtice and not by a Houſe of Aſſembly.

BUT the repealing Act by being paſſed prior to the deciſion of this point aſſumes the power of deciding it, and the Aſſembly in ſo doing erects itſelf unconſtitutionally into a tribunal of judicature, and abſorbs the authority and right of the courts of juſtice into itſelf.

THEREFORE the operation of the repealing Act, in its very outſet, requires injuſtice to be done. For it is impoſſible on the principles of a republican government and the Conſtitution, to paſs an Act to forbid any of the citizens the right of appealing to the courts of juſtice on any matter in which his intereſt or property is affected; but the firſt operation of this Act goes to ſhut up the courts of juſtice, and holds them ſubſervient to the Aſ-

ſembly

ſembly. It either commands or influences them not to hear the caſe, or to give judgment on it on the mere will of one party only.

I WISH the citizens to awaken themſelves on this ſubject.—Not becauſe the Bank is concerned, but becauſe their own conſtitutional rights and privileges are involved in the event. It is a queſtion of exceeding great magnitude; for if an Aſſembly is to have this power the laws of the land and the courts of juſtice are but of little uſe.

HAVING now finiſhed with the Report, I proceed to the third and laſt ſubject—that of Paper-Money.—

I REMEMBER a German farmer expreſſing as much in a few words as the whole ſubject requires: "*Money is* "*Money and Paper is Paper.*"——All the invention of man cannot make them otherwiſe. The alchymiſt may ceaſe his labours, and the hunter after the philoſopher's ſtone go to reſt, if paper can be metamorphoſed into gold and ſilver, or made to anſwer the ſame purpoſe in all caſes.

GOLD and ſilver are the emiſſions of nature; paper is the emiſſion of art. The value of gold and ſilver is aſcertained by the quantity which nature has made in the earth. We cannot make that quantity more or leſs than it is, and therefore the value being dependent upon the quantity, depends not on man.——Man has no ſhare in making gold or ſilver; all that his labours and ingenuity can accompliſh is, to collect it from the mine, refine it for uſe and give it an impreſſion, or ſtamp it into coin.

ITS being ſtamped into coin adds conſiderably to its convenience but nothing to its value. It has then no more value than it had before. Its value is not in the impreſſion but in itſelf. Take away the impreſſion and ſtill the ſame value remains. Alter it as you will, or expoſe it to any misfortune that can happen, ſtill the value is not diminiſhed. It has a capacity to reſiſt the accidents that deſtroy other things. It has, therefore, all the requiſite qualities that money can have, and is a fit material to make money of; and nothing, which has not all thoſe properties, can be fit for the purpoſe of money.

PAPER, conſidered as a material whereof to make money, has none of the requiſite qualities in it. It is too plentiful, and too eaſily come at. It can be had any where, and for a trifle.

THERE

THERE are two ways in which I ſhall conſider paper.

THE only proper uſe for paper, in the room of money, is to write promiſſory notes and obligations of payment in ſpecie upon. A piece of paper, thus written and ſigned, is worth the ſum it is given for, if the perſon who gives it is able to pay it; becauſe, in this caſe, the law will oblige him. But if he is worth nothing, the paper-note is worth nothing. The value, therefore, of ſuch a note, is not in the note itſelf, for that is but paper and promiſe, but in the man who is obliged to redeem it with gold or ſilver.

PAPER, circulating in this manner, and for this purpoſe, continually points to the place and perſon where, and of whom, the money is to be had, and at laſt finds its home; and, as it were, unlocks its maſter's cheſt and pays the bearer.

BUT when an Aſſembly undertake to iſſue paper *as* money, the whole ſyſtem of ſafety and certainty is overturned, and property ſet afloat. Paper-notes given and taken between individuals as a promiſe of payment is one thing, but paper iſſued by an Aſſembly *as* money is another thing. It is like putting an apparition in the place of a man; it vaniſhes with looking at and nothing remains but the air.

MONEY, when conſidered as the fruit of many years induſtry, as the reward of labour, ſweat and toil, as the widow's dowry and the childrens portion, and as the means of procuring the neceſſaries, and alleviating the afflictions of life, and making old age a ſcene of reſt, has ſomething in it ſacred that is not to be ſported with, or truſted to the airy bubble of paper-currency.

BY what power or authority an Aſſembly undertake to make paper-money is difficult to ſay. It derives none from the Conſtitution, for that is ſilent on the ſubject. It is one of thoſe things which the people have not delegated, and which, were they at any time aſſembled together, they would not delegate. It is, therefore, an aſſumption of power which an Aſſembly is not warranted in, and which may, one day or other, be the means of bringing ſome of them to puniſhment.

I SHALL enumerate ſome of the evils of paper-money and conclude with offering means for preventing them.

ONE of the evils of paper-money is, that it turns the

whole

whole country into ſtock-jobbers. The precarioufneſs of its value and the uncertainty of its fate continually operate, night and day, to produce this deſtructive effect. Having no real value in itſelf it depends for ſupport upon accident, caprice and party, and as it is the intereſt of ſome to depreciate and of others to raiſe its value, there is a continual invention going on that deſtroys the morals of the country.

It was horrid to ſee and hurtful to recollect how looſe the principles of juſtice were let by means of the paper-emiſſions during the war. The experience then had ſhould be a warning to any Aſſembly how they venture to open ſuch a dangerous door again.

As to the romantic if not hypocritical tale, that a virtuous people need no gold and ſilver and that paper will do as well, requires no other contradiction than the experience we have ſeen. Though ſome well-meaning people may be inclined to view it in this light, it is certain that the ſharper always talks this language.

There are a ſet of men who go about making purchaſes upon credit, and buying eſtates they have not wherewithal to pay for; and having done this, their next ſtep is to fill the news-papers with paragraphs of the ſcarcity of money and the neceſſity of a paper-emiſſion, then to have it made a legal tender under the pretence of ſupporting its credit; and when out, to depreciate it as faſt as they can, get a deal of it for a little price and cheat their creditors; and this is the conciſe hiſtory of Paper-money ſchemes.

But why ſince the univerſal cuſtom of the world has eſtabliſhed money as the moſt convenient medium of traffic and commerce, ſhould paper be ſet up in preference to gold and ſilver? The productions of nature are ſurely as innocent as thoſe of art; and in the caſe of money, are abundantly, if not infinitely, more ſo. The love of gold and ſilver may produce covetouſneſs, but covetouſneſs, when not connected with diſhoneſty, is not properly a vice. It is frugality run to an extreme.

But the evils of paper-money have no end. Its uncertain and fluctuating value is continually awakening or creating new ſchemes of deceit. Every principle of juſtice is put to the rack and the bond of ſociety diſſolved: The ſuppreſſion therefore of paper-money might very properly have been put into the Act for preventing Vice and Immorality.

The

THE pretence for paper-money has been, that there was not a ſufficiency of gold and ſilver. This, ſo far from being a reaſon for paper-emiſſions, is a reaſon againſt them.

As gold and ſilver are not the productions of North-America, they are, therefore, articles of importation; and if we ſet up a paper-manufactory of money, it amounts, as far as it is able, to prevent the importation of Hard money, or to ſend it out again as faſt as it comes in; and by following this practice we ſhall continually baniſh the ſpecie, till we have none left, and be continually complaining of the grievance inſtead of remedying the cauſe.

CONSIDERING gold and ſilver as articles of importation, there will in time, unleſs we prevent it by paper-emiſſions, be as much in the country as the occaſions of it require, for the ſame reaſons there are as much of other imported articles. But as every yard of cloth manufactured in the country occaſions a yard the leſs to be imported, ſo it is by money, with this difference, that in the one caſe we manufacture the thing itſelf and in the other we do not. We have cloth for cloth, but we have only paper-dollars for ſilver ones.

As to the aſſumed authority of any Aſſembly in making paper-money, or paper of any kind, a legal tender, or in other language, a compulſive payment, it is a moſt preſumptuous attempt at arbitrary power. There can be no ſuch power in a Republican government: The people have no freedom, and property no ſecurity where this practice can be acted: And the Committee who ſhall bring in a report for this purpoſe, or the Member who moves for it, and he who ſeconds it merit impeachment, and ſooner or later may expect it.

OF all the various ſorts of baſe coin, paper-money is the baſeſt. It has the leaſt intrinſic value of any thing that can be put in the place of gold and ſilver. A hob-nail or a piece of wampum far exceeds it. And there would be more propriety in making thoſe articles a legal tender than to make paper ſo.

IT was the iſſuing baſe coin and eſtabliſhing it as a tender, that was one of the principal means of finally overthrowing the power of the Stewart family in Ireland. The article is worth reciting as it bears ſuch a reſemblance to the progreſs practiſed on paper-money.

" Braſs

" Braſs and copper of the baſeſt kind, old cannon, " broken bells, houſehold utenſils were aſſiduouſly col- " lected; and from every pound weight of ſuch vile " materials, valued at four-pence, pieces were coined " and circulated to the amount of five pounds nominal " value. By the firſt proclamation they were made cur- " rent in all payments to and from the King and the " ſubjects of the realm, except in duties on the impor- " tation of foreign goods, money left in truſt, or due " by mortgage, bills or bonds; and *James* promiſed " that when the money ſhould be decried, he would " receive it in all payments or make full ſatisfaction in " gold and ſilver. The nominal value was afterwards " raiſed by ſubſequent proclamations, the original re- " ſtrictions removed, and this baſe money was ordered " to be received in all kinds of payments. As braſs " and copper grew ſcarce it was made of ſtill viler ma- " terials, of tin and pewter, and old debts of one thou- " ſand pounds were diſcharged by pieces of vile metal, " amounting to thirty ſhillings in intrinſic value." ‖ — Had King James thought of paper he needed not to have been at the trouble or expence of collecting braſs and copper, broken bells and houſehold utenſils.

THE laws of a country ought to be the ſtandard of equity, and calculated to impreſs on the mind of the people the moral as well as the legal obligation of reciprocal juſtice. But tender-laws, of any kind, operate to deſtroy morality, and to diſſolve by the pretence of law what ought to be the principle of law to ſupport, reciprocal juſtice between man and man: And the puniſhment of a member who ſhould move for ſuch a law ought to be DEATH.

WHEN the recommendation of Congreſs in the year 1780 for repealing the tender-laws was before the Aſſembly of Pennſylvania, on caſting up the votes, for and againſt bringing in a bill to repeal thoſe laws, the numbers were equal, and the caſting vote reſted on the Speaker, Colonel Bayard. " I give my vote" ſaid he, " for the repeal from a conſciouſneſs of juſtice; the " tender-laws operate to eſtabliſh iniquity by law."— But when the Bill was brought in, the Houſe rejected it,

‖ Leland's hiſtory of Ireland, vol. iv, page 265.

it, and the tender-laws continued to be the means of fraud.

If any thing had, or could have, a value equal to gold and ſilver it would require no tender-law; and if it had not that value it ought not to have ſuch a law; and, therefore, all tender-laws are tyrannical and unjuſt, and calculated to ſupport fraud and oppreſſion.

Most of the advocates for tender-laws are thoſe who have debts to diſcharge, and who take refuge in ſuch a law, to violate their contracts and cheat their creditors. But as no law can warrant the doing an unlawful act, therefore, the proper mode of proceeding, ſhould any ſuch laws be enacted in future, will be to impeach and execute the Members who moved for and ſeconded ſuch a Bill, and put the debtor and the creditor in the ſame ſituation they were in, with reſpect to each other, before ſuch a law was paſſed. Men ought to be made to tremble at the idea of ſuch a barefaced act of injuſtice. It is in vain to talk of reſtoring credit, or to complain that money cannot be borrowed at legal intereſt, until every idea of tender-laws is totally and publicly reprobated and extirpated from among us.

As to paper-money, in any light it can be viewed, it is at beſt a bubble. Conſidered as property it is inconſiſtent to ſuppoſe that the breath of an Aſſembly, whoſe authority expires with the year, can give to paper the value and duration of gold. They cannot even engage that the next Aſſembly ſhall receive it in taxes. And by the precedent (for authority there is none) that any one Aſſembly makes paper-money, another may do the ſame, until confidence and credit are totally expelled, and all the evils of depreciation acted over again. The amount, therefore, of Paper-Money is this, That it is the illegitimate offſpring of Aſſemblies, and when their year expire they leave it a vagrant on the hands of the Public.

Having now gone thro' the three ſubjects propoſed in the title to this work, I ſhall conclude with offering ſome thoughts on the preſent affairs of the State.

My idea of a ſingle Legiſlature was always founded on a hope, that whatever perſonal parties there might be in the State, they would all unite and agree in the general principles of good government—that theſe party differences would be dropt at the threſhold of the ſtate-

houſe,

houſe, and that the Public Good or the good of the whole, would be the governing principle of the Legiſlature within it.

PARTY diſpute, taken on this ground, would only be, who ſhould have the honor of making the laws; not what the laws ſhould be. But when party operates to produce party laws, a ſingle Houſe is a ſingle perſon, and ſubject to the haſte, raſhneſs and paſſion of individual ſovereignty. At leaſt, it is an ariſtocracy.

THE form of the preſent Conſtitution is now made to trample on its principles, and the conſtitutional Members are anti-conſtitutional Legiſlators. They are fond of ſupporting the form for the ſake of the power, and they dethrone the principle to diſplay the ſceptre.

THE attack of the late Aſſembly on the Bank diſcovers ſuch a want of moderation and prudence, of impartiality and equity, of fair and candid enquiry and inveſtigation, of deliberate and unbiaſſed judgment, and ſuch a raſhneſs of thinking and vengeance of power as is inconſiſtent with the ſafety of the Republic. It was judging without hearing and execution without trial.

BY ſuch raſh, injudicious and violent proceedings the intereſt of the State is weakened, its proſperity diminiſhed and its commerce and its ſpecie baniſhed to other places.—Suppoſe the Bank had not been in an immediate condition to have ſtood ſuch a ſudden attack, what a ſcene of inſtant diſtreſs would the raſhneſs of that Aſſembly have brought upon this city and State. The holders of Bank-notes, whoever they might be, would have been thrown into the utmoſt confuſion and difficulties. It is no apology to ſay the Houſe never thought of this, for it was their duty to have thought of every thing.

BUT by the prudent and provident management of the Bank (tho' unſuſpicious of the attack) it was enabled to ſtand the run upon it without ſtopping payment a moment, and to prevent the evils and miſchiefs taking place which the raſhneſs of the Aſſembly had a direct tendency to bring on; a trial that ſcarcely a Bank in Europe, under a ſimilar circumſtance, could have ſtood through.

I CANNOT ſee reaſon ſufficient to believe that the hope of the Houſe to put down the Bank was placed on the withdrawing the Charter, ſo much as on the expec-

tation of producing a bankruptcy on the Bank, by ſtarting a run upon it. If this was any part of their project it was a very wicked one, becauſe hundreds might have been ruined to gratify a party-ſpleen.

But this not being the caſe, what has the attack amounted to, but to expoſe the weakneſs, and raſhneſs, the want of judgment as well as juſtice, of thoſe who made it, and to confirm the credit of the Bank more ſubſtantially than it was before.

The attack, it is true, has had one effect, which is not in the power of the Aſſembly to remedy, it has baniſhed many thouſand hard dollars from the ſtate.—By the means of the Bank, Pennſylvania had the uſe of a great deal of hard money belonging to citizens of other States, and that without any intereſt, for it laid here in the nature of a depoſit, the depoſitors taking Bank-notes in its ſtead. But the alarm called thoſe notes in and the owners drew out their caſh.

The baniſhing the ſpecie ſerved to make room for the paper-money of the Aſſembly, and we have now paper dollars where we might have had ſilver ones. So that the effect of the paper-money has been to make leſs money in the ſtate than there was before. Paper-money is like dram-drinking, it relieves for the moment by a deceitful ſenſation, but gradually diminiſhes the natural heat, and leaves the body worſe than it found it. Were not this the caſe, and could money be made of paper at pleaſure, every Sovereign in Europe would be as rich as he pleaſed. But the truth is, that it is a bubble and the attempt vanity. Nature has provided the proper materials for money, gold and ſilver, and any attempt of ours to rival her is ridiculous.

But to conclude——If the Public will permit the opinion of a friend who is attached to no party, and under obligations to none, nor at variance with any, and who through a long habit of acquaintance with them has never deceived them, that opinion ſhall be freely given.

The Bank is an Inſtitution capable of being made exceedingly beneficial to the State, not only as the means of extending and facilitating its commerce, but as a means of increaſing the quantity of hard money in the State. The Aſſembly's paper-money ſerves directly to baniſh or croud out the hard, becauſe it is iſſued *as* money and put in the place of hard money. But Bank-

notes

notes are of a very different kind, and produce a contrary effect. They are promiſſory notes payable on demand, and may be taken to the Bank and exchanged for gold or ſilver without the leaſt ceremony or difficulty.

The Bank, therefore, is obliged to keep a conſtant ſtock of hard money ſufficient for this purpoſe; which is what the Aſſembly neither does, nor can do by their paper; becauſe the quantity of hard money collected by taxes into the Treaſury is trifling compared with the quantity that circulates in trade and through the Bank.

The method, therefore, to increaſe the quantity of hard money would be to combine the ſecurity of the Government and the Bank into one. And inſtead of iſſuing paper-money that ſerves to baniſh the ſpecie, to borrow the ſum wanted of the Bank in Bank-notes on the condition of the Bank exchanging thoſe notes at ſtated periods and quantities with hard money.

Paper iſſued in this manner, and directed to this end, would, inſtead of baniſhing, work itſelf into, gold and ſilver; becauſe it will then be both the advantage and duty of the Bank, and of all the mercantile intereſt connected with it, to procure and import gold and ſilver from any part of the world it can be got, to exchange the notes with. The Engliſh Bank is reſtricted to the dealing in no other articles of importation than gold and ſilver, and we may make the ſame uſe of our Bank if we proceed properly with it.

Thoſe notes will then have a double ſecurity, that of the Government and that of the Bank; and they will not be iſſued *as* money, but as hoſtages to be exchanged for hard money, and will, therefore, work the contrary way to what the paper of the Aſſembly, uncombined with the ſecurity of the Bank, produces: And the intereſt allowed the Bank will be ſaved to Government by a ſaving of the expences and charges attending paper-emiſſions.

It is, as I have already obſerved in the courſe of this work, the harmony of all the parts of a Republic, that conſtitutes their ſeveral and mutual good. A Government, that is conſtructed only to govern, is not a Republican Government. It is combining authority with uſefulneſs that in a great meaſure diſtinguiſhes the Republican ſyſtem from others.

Paper-

PAPER-MONEY appears, at firſt ſight, to be a great ſaving, or rather that it coſts nothing; but it is the dearеſt money there is. The eaſe with which it is emitted by an Aſſembly at firſt, ſerves as a trap to catch people in at laſt. It operates as an anticipation of the next year's taxes. If the money depreciates, after it is out, it then, as I have already remarked, has the effect of fluctuating ſtock, and the people become ſtock-jobbers to throw the loſs on each other.—If it does not depreciate, it is then to be ſunk by taxes at the price of *hard money*; becauſe the ſame quantity of produce, or goods, that would procure a paper-dollar to pay taxes with would procure a ſilver one for the ſame purpoſe. Therefore in any caſe of paper-money it is dearer to the country than hard money by all the expence which the paper, printing, ſigning and other attendant charges come to, and at laſt goes into the fire.

SUPPOSE one hundred thouſand dollars in paper-money to be emitted every year by the Aſſembly, and the ſame ſum to be ſunk every year by taxes, there will then be no more than one hundred thouſand dollars out at any one time. If the expence of paper and printing, and of perſons to attend the preſs while the ſheets are ſtriking off, ſigners, &c. be five per cent. it is evident that in the courſe of twenty years emiſſions, the one hundred thouſand dollars will coſt the country two hundred thouſand dollars. Becauſe the papermaker's and printer's bills, and the expence of ſuperviſors and ſigners, and other attendant charges, will in that time amount to as much as the money amounts to; for the ſucceſſive emiſſions are but a recoinage of the ſame ſum.

BUT gold and ſilver require to be coined but once, and will laſt a hundred years, better than paper will one year, and at the end of that time be ſtill gold and ſilver. Therefore the ſaving to Government, in combining its aid and ſecurity with that of the Bank in procuring hard money, will be an advantage to both, and to the whole community.

THE caſe to be provided againſt, after this, will be, that the Government do not borrow too much of the Bank, nor the Bank lend more notes than it can redeem; and, therefore, ſhould any thing of this kind be undertaken, the beſt way will be to begin with a moderate ſum, and obſerve the effect of it. The intereſt given the Bank

operates

operates as a bounty on the importation of hard money, and which may not be more than the money expended in making paper-emiſſions.

BUT nothing of this kind, nor any other public undertaking, that requires ſecurity and duration beyond the year, can be gone upon under the preſent mode of conducting Government. The late Aſſembly, by aſſuming a ſovereign power over every Act and matter done by the State in former Aſſemblies, and thereby ſetting up a precedent of overhauling and overturning, as the accident of elections ſhall happen or party prevail, have rendered Government incompetent to all the great objects of the State. They have eventually reduced the Public to an annual body like themſelves; whereas the Public are a ſtanding permanent body, holding annual elections.

THERE are ſeveral great improvements and undertakings, ſuch as inland navigation, building bridges, opening roads of communication thro' the State, and other matters of a public benefit, that might be gone upon, but which now cannot, until this governmental error or defect is remedied. The faith of Government, under the preſent mode of conducting it, cannot be relied on. Individuals will not venture their money, in undertakings of this kind, on an Act that may be made by one Aſſembly and broken by another. When a man can ſay that he cannot truſt the Government, the importance and dignity of the Public is diminiſhed, ſapped and undermined; and, therefore, it becomes the Public to reſtore their own honor, by ſetting theſe matters to rights.

PERHAPS this cannot be effectually done until the time of the next Convention, when the principles, on which they are to be regulated and fixed, may be made a part of the Conſtitution.

IN the mean time the Public may keep their affairs in ſufficient good order, by ſubſtituting prudence in the place of authority, and electing men into the Goverment, who will at once throw aſide the narrow prejudices of party, and make the Good of the Whole the ruling object of their conduct.———And with this hope, and a ſincere wiſh for their proſperity, I cloſe my book.

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